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Cuba

Havana TV carries Fidel Castro's speech to the ANAP congress. Regarding the "enormous importance" of food, production is based on state enterprises, agricultural-livestock production cooperatives, and independent farmers, two of which "depend on ANAP." Castro says it is important to boost agricultural production. The congress is of "the greatest political importance as farmers are one of the pillars" of the revolution. He says state enterprises could "make a great leap forward in production" through "improving organization and efficiency," science and technology, and an increase in the work force. An "important task" for ANAP is to "pay special attention to independent producers" and their problems to "achieve a rational exploitation" of their land. He praises the cooperatives and farmers that "have been producing more with less fuel and fewer resources." It is evidence of Cuba's "great victory." He critizes "excessive mechanization" and promotes "other means of work and transportation" such as oxen and bicycles. The progress so far, Castro states, indicates the nation's "ability to adapt to difficult times. A nation that cannot adapt... will be lost." Castro addresses "the issue of the illegal sale or diversion of products." "Innocent people," Castro laments, "are having to suffer consequences that should belong only to the guilty." Those responsible are a minority, "who elude all supervision by ANAP." Castro advocates ANAP having "jurisdiction over anyone who is a landowner."

Venezuela

President Perez dismisses the possibility of attacks against him, claiming he will remain in power until February 1994, NOTIMEX reports. But the Defense Ministry concedes that "security measures have been tightened at military and government installations in view of possible armed attacks by extremist groups." Meanwhile, NOTIMEX reports, leading political parties in Venezuela announce they are preparing a "great national understanding." The agreement will allow Perez to complete his term, will solicit Armed Forces input, and "will safeguard the democratic system."

Guatemala

President Serrano, "as commanding general of the national Army," says "there is absolutely no possibility a military coup will occur in Guatemala, LA HORA reports. Further, he says, "there is absolutely no reason why anyone should even try." He says "his Army" ought not be compromised "by the detestable intentions of a few bad Guatemalans who seek to spread lies."

Haiti

Port-au-Prince radio reports that 29 union and socio-professional organizations call a general strike to serve as "a warning against dictatorship, against the Villa d'Accueil agreement, and as a call for the restoration of democracy and the 16 December government."

Colombia

EL NUEVO SIGLO reports that President Gaviria urges support for the police against criminals and violence, saying it will be the nation's top priority for the next two years. He says the authorities are not alone in the struggle. They have the citizens' solidarity, led by the president himself. When questioned about a possible palace coup, Peruvian-style, or of a pots and pans demonstration, Venezuelan-style, he replies, "I trust it will not happen. I trust that Colombians will understand that when faced with the nation's difficulties and adversity, the best response is discipline and solidarity."

'Improvement' of Lome Convention Priority Topic

FL2005190992 Bridgetown CANA in English 1607 GMT 20 May 92

[Text] Kingston, Jamaica, May 20, CANA—Jamaica's Prime Minister P.J. Patterson has identified "improvement" of the Lome Convention to protect the interests of African, Caribbean, and Pacific (ACP) states, as a priority area for discussions during an ACP/European Community council of ministers meeting here this week.

Patterson, one of the architects of the first Lome Economic Cooperation Accord signed in 1975 by the ACP and EEC, said while that and subsequent Lome Conventions had worked "reasonably well," there was a need for changes to protect ACP countries in the face of global changes including the impending unification of the Europe.

The Jamaican prime minister was reported by the official JAMPRESS news agency as repeating previous concerns that changes in Eastern Europe would not cause a shift in economic assistance from the Third World. He also expressed concerns that advances on global trade liberalization under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), did not erode trade advantages which ACP countries have under Lome. Patterson however said the inclusion of Eastern Europe in an expanded European market could mean a bigger market for the products of ACP countries.

The 54th meeting of ACP council of ministers opened here Monday [18 May] under the chairmanship of Trinidad and Tobago's Foreign Minister Ralph Maraj. The three-day meeting which precedes the joint ACP/EEC council of ministers meeting on Thursday, is taking the form of closed plenary sessions.

Further on 22d OAS General Assembly Meeting

Panama Snubs Peru

FL2105231992 Nassau Bahamas Radio Network in English 2240 GMT 21 May 92

[Text] Strong views were expressed during the OAS sessions for the preservation of democracy in the region. We get more from Martin Aubury.

[Begin Aubury recording] It was during the third plenary session of the OAS foreign ministers general assembly today, when delegates witnessed the diplomatic snobbery of Panama by the Peruvian Foreign Minister The Honorable Oscar de la Puente. Once again, Panama reiterated its strong position against undemocratic rule in Peru. Foreign Minister Dr. Julio Linares recalled an article of Panama's Constitution that says his government would not recognize any de facto government or a government of a coup d'etat. It was while these comments were being made, that the Peruvian foreign minister conveniently and conspicuously excused himself from the room. Earlier this week, Panama made a point that after existing under three decades of dictatorship under strongman, General Manuel Noriega, they cannot accept any unduly elected government. [end recording]

Peruvian Aid Plan

PA2205034092 Lima Global de Television Network in Spanish 0100 GMT 22 May 92

[Text] The OAS announced in Nassau, Bahamas on 21 May the immediate implementation of an aid plan for Peru. The OAS also noted that it will send a mission to Lima to verify the fulfillment of President Alberto Fujimori's commitments.

Uruguayan Foreign Minister Hector Gros Espiell, who is presiding over the OAS General Assembly reviewing the Peruvian situation, announced he will come to Peru with OAS Secretary General Joao Baena Soares on 29 May. He explained that the OAS must now initiate preparations to verify the democratic constituent congress elections announced by the government.

The OAS will observe the election process at President Alberto Fujimori's request. The Uruguayan foreign minister said the OAS will see that the congressional elections are honest and legitimate. He said that all assistance available to the organization will be provided. On 21 May, Gros Espiell intervened with the commission that will review the human rights situation in Peru.

The visit will be made in accordance with the last article of the resolution issued by the OAS on 18 May. The foreign ministers' assembly meeting left the session open so that the ad hoc commission headed by Gros Espiell can continue informing the permanent council about the progress made toward a democratic constitutional regime in Peru. The Uruguayan diplomat is expected to meet with President Alberto Fujimori and Engineer Maximo San Roman to initiate a dialogue between the executive branch and the opposition prior to the elections, which will conclude with the installation of a democratic constituent congress.

Political parties issued a communique on 20 May saying they are pleased with this visit and the reasons behind it.

Solidarity Against Poverty

PY2105134092 Asuncion ABC COLOR in Spanish 21 May 92 p 28

[Excerpt] Nassau, Bahamas, 20 May (EFE)—According to its final communique, the OAS—which is meeting in Nassau, Bahamas—will declare war against the extreme poverty that the continent is suffering.

Paraguayan Foreign Minister Alexis Frutos was very clear about it. After requesting the "fullest internal and external solidarity to combat poverty," he said: "It is difficult to preserve freedom and democracy where people lack the minimum conditions for a dignified existence." [passage omitted]

Cuba

Castro Gives Closing Speech at ANAP Congress

CM2205035792 Havana Cubavision Television in Spanish 2130 GMT 18 May 92

[Speech by President Fidel Castro at the closing session of the Eighth Congress of the National Association of Small Farmers, ANAP, at the Havana Palace of Conventions on 17 May—recorded]

[Text] Comrades: We have often talked about historic events. So, for example, we recall the congress of the second front, of which Prudencio [not further identified] has said that some were unhappy that it was being called the first armed congress [primer congreso en armas]. But, well, later there were congresses that were not armed, but this one, as he said, is a kind of armed congress.

This congress is taking place precisely during the special period, at very difficult times of the special period. At this time, when the food issue has taken on enormous importance, this congress of the ANAP, of all the farmers, is taking place. The ANAP has a very great share in food production, and this share could be even greater, because food production is based on three pillars: the state enterprises, the agricultural-livestock production cooperatives [CPA], and the independent farmers. Two of these pillars depend on the ANAP. They are part of the ANAP.

We could also discuss whether it is correct to call it the ANAP, but it is already called that and no one is going to change its name. Even Pepe [not further identified] had his doubts, and once—I think I have mentioned this before—he said to me: Look, Fidel, this name, ANAP, is it correct? Because to say the National Association of Small Farmers may sound like the farmers are little tiny people. I said: Well, if we do not call it the ANAP [Asociacion Nacional de Agricultores Pequenos], it will be called the ANPA [Asociacion Nacional de Pequenos Agricultores], the National Association of Small Farmers, and that name is even worse.

These names really have the meaning that the people give to them, that opinion, custom, and habit give to them. When we talk about small farmers, we are not talking about little tiny farmers, but rather about farmers who do not have a lot of land, farmers who are not large landowners or large estate owners. We are talking about farmers who work a certain amount of land that is not very large. But the ANAP also includes the cooperatives now. They are not exactly small pieces of land. There are a lot of cooperatives that have more than 100 caballerias. Of course, it was always thought, we upheld the view, that the cooperatives would remain within the ANAP. In fact, the cooperatives today are the pride of the ANAP.

Of course, all these factors, as I was saying, are two pillars of agricultural production. We must boost the agricultural production of the state enterprises, but we must also boost the agricultural production of the CPA and the independent farmers. If any one of these pillars lets us down, our table will be incomplete; it will be missing a leg. The efforts we are making in other directions will be wasted if any of these pillars lets us down. If farmers of the CPA and the independent farmers make an effort but the state does not make an effort, we will not accomplish anything. The state has a great share; it has considerable land resources. If the CPA does not make progress, this will also neutralize or eliminate the advantage of the efforts we are making with the state and the independent farmers. If the independent farmers reduce their production or do not make progress, this will also affect the food program.

This is because the independent farmers have a good share of production, larger in some provinces than others. But they have an important share. In many crops, their share is very important. The importance of the independent farmers has been pointed out here. The CPA and the independent farmers together have a great share. That is why this congress of farmers in the special period is so important, and this is why we say that it is a historic congress. But it will not be a historic congress solely because of the circumstances in which it is taking place. Rather, it will be a historic congress because of the consequences that will follow from this congress.

To a certain extent, the agricultural workers have participated in this congress, because the leading agricultural officials have been present here. The officials that oversee the small farming sector have been present. Not all the provincial officials of the Ministry of the Sugar Industry [Minaz] came, because we asked them to remain overseeing production. We did not think five or six days should be wasted, or that they should be absent from their provinces at such an important time for the sugar harvest and the planting of different crops such as rice, pasturage, and sugarcane. Especially because of the final stages of the sugar harvest, it did not seem like a good thing to us that the Minaz officials should be here.

We had already held a number of festivities. We had the 1 May celebrations, at a critical time. Fortunately, a lot of people worked on 1 May. But a few days later, we had Mother's Day. Fortunately, a lot of people also worked on Mother's Day. But all these events weakened our efforts a little. Sometimes people are demobilized, or leave, and then fewer have to return on Monday, especially after a great effort such as was made in agriculture in April. Of course, some harvests were late because the planting had been late because of the weather. We are in a situation in which we cannot waste a day; we cannot waste a minute. Since it has rained little in recent days, we must take advantage of this to prepare the land that has not been prepared, and we must prepare a lot of land for the sugarcane, pasturage, tubers, vegetables, and rice. Everything will become much more complicated if we do not use the time well, if we do not use the days and hours well.

Of course, we said that the farmers' congress should not become another off-period, and therefore that the Minaz officials should not come. But we also said that the agriculture officials should not come either, except those from Havana Province, who should be here the first day. But the deputy officials who oversee the small farming sector did come. The representatives of the Ministry of Agriculture also came from all the provinces. All the provincial party secretaries have been present, the first secretaries. It was essential that they be here, because even if they do not oversee agriculture directly, we must take into account the role the party plays in all these mobilizations, in creating the conditions so that the programs can be carried out. In addition, there is the enormous political importance of the ANAP congress, which is not only an agricultural event. Not at all; it is an event of the greatest political importance, since the farmers are one of the pillars—they were, are, and will be one of the fundamental pillars—of the revolution. [applause]

So the agricultural workers, the government representatives who are involved with agriculture and other activities, and the party representatives have also been participating in this congress. In general, they participate, but right now this has greater importance than at any other congress since the victory of the revolution. This is because of this congress's political importance as well as its economic importance, and also because of the content of the analyses that have been made here.

I have the impression that you are very pleased with how the congress has been held. It has been very serious. I think the discussions have never before been so responsible and serious. I can say even more: I think that at no other time have the discussions been so patriotic. This is because we are all aware, very aware, of the time we are living in. People expressed themselves so categorically and energetically as never before about what the revolution has meant to the farmers. Because we can see this very clearly at times like this. In normal, calm times, when there are no problems or headaches, these things are present, but are not so obvious. If the nation is in danger, if the revolution is in danger, if socialism is in danger, everyone brings up the memory of the past very strongly and energetically, and they bring up the awareness of what the revolution has meant to the people and the farmers.

This has been seen here very eloquently in the words of many of you. We have not heard more because time was short, and we had to devote it to the different topics. We had to give the different sectors of agriculture the opportunity to speak. But I have really been very impressed by what has been said. I can say that all your remarks have been very serious. Some were more inspired or eloquent than others, but all had good content and great value. Some people are more fluent speakers than others, but all of you had many things to express. Even those who became nervous, as they said, were still touching on very important issues.

But this congress has been what we could call a scientific and technical congress, because a lot has been said about what must be done and how it must be done. All the knowledge and experience of the farmers has been reflected here. Many of the things explained here about what has been done in the special period are impressive. Since the start of the special period, many cooperatives and many farmers have been producing more with less fuel and fewer resources. This fact shows that in effect, in the special period, we can produce more with less fuel and fewer resources. That is our great victory. Here you have been explaining how this has been done, how this has been accomplished.

You have spoken about ox teams. This was traditional among the farmers, but it has increased a lot. The country had fallen into excessive mechanization. Everything was done with machines, and now we have to use other means of work and transportation. Many cooperatives, many independent farmers, and also many state enterprises are increasingly using oxen for animal labor, and 100,000 are already at work. Another 100,000 are going to be added. We cannot even guess how much fuel this will save.

There is also the problem of the distribution of bicycles at the sugar mills, the agricultural enterprises, and to the small farmers. A certain number have already been given to the farmers, but they will receive additional bicycles. It has been calculated what this saves in trucks, fuel, tires, and tractors. The bicycles can be used to do many activities that today are done with tractors and trucks. But if I remember correctly, I think about 250,000 bicycles are going to be distributed this year in the rural areas, in the agricultural sectors of the country, to workers, cooperative members, etc. This is in addition to those that have already been distributed. There will be about 250,000 additional bicycles.

This shows how our people, citizens, and fellow countrymen have the ability to adapt to difficult times. This is very important. A nation that cannot adapt to these difficult circumstances will be lost. This nation has never been lost. It has experienced extremely adverse historical periods, over the course of more than a century, and it has passed through very sad episodes, such as the famous Zanjon Peace. It has passed through things as terrible as the Yankee intervention during our last war for independence, when Spain could no longer fight. There was something even sadder: the disbanding of the army of liberation, the surrender of weapons, and the Platt Amendment, on the right to intervene, which ratified and legalized the most shameless intervention, almost on a daily basis, by the United States in our country.

But our people arose from each of these difficult eras, as we will also arise from this difficult era. What you have said is very encouraging, because it shows what can be done. Here, for each of the subjects, specific things and specific techniques have been presented in the production of tubers and vegetables, what to do and how to do it. Many experiences have been recounted. You were

able to observe here that the conditions are not the same throughout the country. There are differences of climate, soil, both the composition of the soil and the topography, the climate, microclimates, and some useful experiences in some places may be useful in many other places but not everywhere. Some experiences in certain provinces are useful there and not in other places. This shows us that life is rich, life is very complex, and we cannot simplify things.

You also talked about varieties of sugarcane and how they grow. A variety does not grow the same in one place as in another. This is true also for tuber varieties, or vegetable varieties. Here we can very clearly see the importance of the work by researchers and the need to seek varieties for each kind of plant that will be adapted to the country's climate, soils, and regions. We know that there are a number of new kinds of yucca that are very good and can be harvested at different times.

Yucca is a noble crop, especially in dry climates, because it does not need a lot of water. It can be kept in the ground; it does not need refrigeration. If you have different varieties, they can be harvested at different times. There are peak seasons in agriculture, but the country's needs do not have peaks. They are the same throughout the year. There are times when potatoes are abundant, but then there are no more potatoes. Then we need boniato, yucca, malanga, plantains, and other products, and they are not all produced at the same season of the year, or planted in the same season of the year.

It is not the same to harvest during the dry season as during the rainy season. One's hair stands on end when one thinks about how boniato must be dug up when the soil is very wet. Sometimes boniato must be dug up almost by hand. But you have to harvest boniato in June, July, August, September, and October in the rain. You cannot use machines if it is wet, and sometimes it rains quite a bit. You cannot use machines.

So the work is not the same throughout the year either. Sometimes the weather makes things easier, the level of humidity makes things easier or complicates things. But, well, boniato and yucca are noble crops. A hurricane cannot destroy them, and if you have them there they are secure. You can stagger their planting, but you can also diversify the varieties in order to have these foods throughout the year, or to have more than one kind when others foods are scarcer.

We know, of course, that yucca does not keep very long once it has been pulled out of the soil; it has to be distributed quickly. It is not like other tubers.

We have another very noble tuber, plantains, which produce all year round and precisely are happiest when it rains a lot and is hot. You heard here the explanation by the comrade from the (Monpie) cooperative about how in those extremely humid hills [words indistinct] harvest of plantains that they planted there. Where it is very difficult to grow other things, they grow plantains. It is constantly wet there. One could say that there is a sort of natural microjet irrigation system there in (Monpie).

These experiences were discussed here. Our knowledge has been enriched. Science and technology was discussed, as was azotobacter, biological pesticides, and biological fertilizers, resources this country must turn to. But the need to find solutions has led us to evolve into a scientific congress. You heard everything that was discussed in connection with sugarcane.

Manolo, the comrade from the Quivican cooperative, talked here about the importance of different varieties. It was acknowledged here that for years time was undoubtedly wasted at the research centers in the work on varieties. The intense work being done in that field now was also explained. However, I wonder if small farmers elsewhere in the world have the depth of knowledge that our small farmers have, if they can hold discussions about the different varieties of cane and about the appropriateness or inappropriateness for different regions of the different varieties of cane.

The stock structure of the cane was discussed here, as well as how the bitter need for, or scarcity of, fertilizers and fuel—which is a factor even in such decisive things as irrigation—has reduced the availability of cane in these years and has forced us for one reason or another to cut almost down to the last stalk of cane, affecting something as important as the composition of the stock. The problem is that working under conditions as tight as the ones we are working under, we cannot allow ourselves the luxury of leaving 20,000 caballerias of canefield lying fallow till next year when this very year we have pressing needs for foods, medicines, fuel, raw materials, and other things. These needs do not permit us right now, at this moment, to wait until the following year.

The country has commitments, demands, and needs. In this regard, the cane farmers have cooperated generously with the nation, just as the state enterprises have had to do, and the agro-industrial complexes as well, because they too wish to have an ideal stock composition.

We have to see how we can compensate for these obstacles. We spoke here of how the application of ammonia is becoming widespread because it is the most economical way of getting nitrogen to the cane. The 22 bases we have ready were discussed, and the 16 more that are being built with the idea of reaching 50 and possibly 60. It was also said that in a not too distant future we may perhaps be able to apply nitrogenated fertilizer via ammonia to almost 80,000 caballerias of regrowth, which means a considerable reduction in the cost of ammonia and a very good way of applying nitrogen. It has been said here that this even diminishes the effect of certain cane pests. All these technical things were discussed. Information on these matters was given.

Planting one crop with another was much discussed, with the rotations of cane, and how to plant beans in the cane fields in the cold season. Normal beans can help

keep the cane clean, produce food, and bring natural nitrogen to the soil, nitrogen that is fixed by the bacteria associated with legumes, thereby increasing the cane yields. Also discussed were the existing programs that are being implemented, on a small scale as yet so as to see their results, for rotating soybeans with cane in the same year, planted in the spring.

We also discussed the search for different varieties that we have been making, and about the varieties currently being planted. There are a number of such varieties, which are believed to be suitable for spring planting. If we did not plant them in the spring and planted them in January instead, we would need water, irrigation, and we would lose a year in the sugar harvest. We would be producing soybeans at the expense of sugar, at the cost of producing less sugar. However, if we manage to plant these soybeans in the spring, we would be producing food and at the same time increasing cane yields, saving fertilizer, and sparing ourselves imports. That is why we have been thinking about this formula of planting soybeans in the spring.

Comrade Adolfo of the INIFAT [Institute for Basic Research in Tropical Agriculture] talked to us about Cuban Variety No. 23 which they are developing for the spring, and he says it is pest-resistant. The truth is that the two Matanzas cooperatives that have experience in planting soybeans have warned us about the risks of pests, based on their experiences. These pests sometimes become uncontrollable in soybeans planted in spring. This is not so with soybeans planted at other, dryer, times of the year. This was a very important warning, which set us all to thinking yesterday, because we are looking for varieties for the spring. We must see whether or not these varieties are pest-resistant. This is very important. It does us no good at all to have varieties that can resist the heat or the rains or other factors but not pests.

However, we also discussed yesterday, and at some length, black-eyed peas, the traditional and the other kind, and their qualities and possibilities. Today, we were talking with the comrades from the Agriculture and Sugar Industry Ministries about the need to quickly multiply those 40 or 50 quintals that Adolfito now has. We have to turn them into thousands and thousands of quintals by May of next year. Because we must now plant them quickly and even plant them in some areas with soybeans if necessary, in order to increase the seeds. We must also plant them in tobacco areas in the provinces, and harvest all the seed we might grow, and set aside a little in reserve—one must always set aside a little in reserve, for botanical reasons and for reasons of security—but plant the maximum, now, in May. We would plant again in September and October, and plant again in January.

If we are not successful with soybeans, because one year might be successful because it was dryer while another year might be less successful... [pauses] We have to be ready to do rotations with these beans. It has been determined that they can also be very useful in rotation with tobacco. The comrade from the Los Palacios cooperative, who is undoubtedly a very capable and smart comrade, immediately saw the possibility of rotating tobacco with this bean. Just yesterday, an experimental project was begun—it resulted from this meeting—to study different formulas for maximizing the quality and quantity of the tobacco crop. In other words, what we said was useful for sugarcane will probably be very useful and practical for other crops.

Tobacco is not actually planted in the spring. Sugarcane may be planted during the spring or during the winter. Cane that is planted well in the winter yields more than in late spring; you know this perfectly well. This is why, even if we were to fail, we should never give up on soybeans. We can continue the rotations until a type of soybeans is found which can withstand not only the heat and the rains but also pests. Even if we only plow them under, if we cannot harvest all of them, what has to be done immediately is to multiply the seeds we have. We have to multiply the black-eyed pea seeds that we have. We should not give up on the idea of the rotations. This may end up improving sugarcane agricultural methods by planting fewer caballerias in the spring and planting more caballerias in the winter. All these technical ideas were discussed yesterday.

It was very pleasant to listen to the experiences of the sugarcane cooperatives. It was very pleasant. You can tell that they are knowledgeable. It was very pleasant to hear about the livestock units, and the use of sheep on sugarcane cooperatives to graze on the edges of the fields, and how sometimes, when the sugarcane is high, they can even graze between the stalks. They also discussed the use of geese in some of these tasks. Geese have been introduced recently. They have not been raised more because of the problem of feed costs, but their numbers could be increased if it is necessary and if we find a highly productive use for geese in certain crops. We could have more, but meanwhile it is highly encouraging to hear that sheep are being used on the sugarcane cooperatives and that there are 100,000 sheep already. If I remember correctly, I heard them say that there are already 100,000 sheep, head of sheep, at the sugarcane cooperatives.

Spacing, contouring, and all the things that can be done with the sugarcane and other crops were discussed here. It was also pleasant to listen to the comrade from (Regadero) when he explained what he was doing with coffee and malanga, how he has managed to increase production, and how he uses mules to transport it 20 km. You can imagine how difficult this is and the honesty that delivering the malanga represents, and the cost of transporting it. Yet it is sold to the people at the set price, the established price; it is not subject to speculation.

We talked about microjet irrigation in the plantain crops. It is a truly revolutionary method. This method has been implemented mainly in state areas because they are large plantations, since this requires a specific area

with a processing facility to ensure that the plantains are moved as little as possible before reaching the processing facility. At least 100 hectares are needed in order to have a processing facility. If the plantains are too far away, too remote, then they have to be transported in trucks, or wagons, or carts, or whatever, but then they bruise. A cluster of plantains weighing up to 100, 115, 120, or even 140 pounds, when moved, gets very bruised because of its weight. Here, we saw how in some CPA they are already beginning to introduce microjet irrigation for plantains.

The delegates from the Havana and Guira cooperatives spoke. We listened to delegates from the Ciego de Avila cooperatives. We heard their enthusiasm, and the prospects they envision for this method. We also talked about microjet irrigation with citrus and what it could represent. The comrades from the research centers spoke on numerous occasions. This meeting has resulted in programs being drafted. It is true that these ideas were already being developed, but here we have made official—we could say—a program to recover the quality and quantity of production. It was clearly seen that in tobacco we can accomplish whatever we want, by following a ranking of priorities.

A whole program, a whole plan, which will be implemented immediately, has been developed. We are going to identify all the top-quality tobacco plantations. We need to find out what techniques to use, the importance of tobacco in terms of its export value, what a cigar or the raw material manufactured into a cigar represents, the revenues we obtain from tobacco, the revenues we could obtain, and where to concentrate our main efforts. In particular, we must be very clear about what we have to do in terms of rotations in the tobacco fields, especially in the top-quality plantations, in order to prioritize the quality and quantity of production.

It became clear that our exports come from those 1,200 caballerias. Considerable revenues and the prestige of the nation depend on the quality and quantity of those exports. It became clear that this is where we have to start, and that we have to start immediately. We have already received reports on the progress of the camps built in Pinar del Rio, and the Youth Labor Army comrades and contingents that are going to be mobilized because of the importance of having highly-trained people in this kind of work.

I was truly pleased that we devoted an important portion of the congress to discussing these technical aspects, and that our farmers have shown so much knowledge, so much wisdom, so much common sense, such a high level of education, and their ability to understand all of this. I have to say, in all truth, that the comments of many comrades were impressive, because of all the wisdom contained in their words, their grasp and mastery of the subjects. The men who spoke here know what they are doing. The cooperatives and their presidents were very impressive. There is a whole constellation of highly knowledgeable cadres. Many of the delegates from the credit and service cooperatives who spoke here were also truly impressive, also because of their grasp, their knowledge.

It is truly encouraging to see the levels reached by Cuban farmers, the men and women of the fields, and how what can be done and what we are going to do was demonstrated here. During my final comments, I cannot overlook stressing this aspect of the analyses and debates of the congress. One regrets that the whole country could not see every moment of the congress. I hope that most of the comments will be seen in one way or another.

Another important subject that was discussed with great honor and dignity at this congress was the issue of the illegal or illicit sale or diversion of products. The debate resulted in an outstanding proclamation by this congress. This is a subject that had to be discussed. It is only logical. Was it going to be the end of world? No, the world was not going to end. We were fulfilling our revolutionary duty by discussing this subject among all of us, calmly, with composure, with analysis, with justice, and by discussing who was and was not involved, who is responsible and who is not. It was also very important to ascertain or find out how much the diversion of products or illegal sales could affect the deliveries to the state by the independent farmers, or how much of this could be the result of other factors. We cannot let hearsay guide us. We have to be very aware of the realities. I believe that this point was really discussed quite well and that many things were clarified.

Yesterday, the morning edition of GRANMA read: Drop in Farming Sector Deliveries Discussed. It is not entirely correct to speak of a drop in farming sector deliveries because, although there was a drop throughout the sector during 1991, during 1991, [repeats] last year. Last year was a complicated year. There were many pests. There were lots of whiteflies in the tomato crop and other crops. They damaged many products. Every year you can tell what was damaged. Last year the cabbage and tomato crops were heavily damaged. Potatoes were heavily affected due to several factors: too much heat, premature development, loss of foliage, all these and also irrigation problems, and other subjective factors.

So, this is why I am bringing up these figures again so all of this can be published. It is for the best. In this case, I am not talking about you, but about the people who have not participated in the congress. How were things in 1991, and how are things in 1992? Of course, in 1991, as we said before, deliveries to the state increased by 15.8 percent. This is the nationwide figure. The deliveries by the CPA dropped by 6.9 percent last year. Independent farmers dropped much more, as we said before; they dropped by 24.3 percent. Well, we have tried to see what factors had an influence during 1991.

However, there is something encouraging. During the first four months of this year, deliveries to the state have again increased; once again they have increased nationwide by 20.8 percent above last year's level. During these

first four months, the deliveries by the CPA have increased by 20.03 percent. This year, there has already been a noticeable increase by the CPA. This is why it is not entirely correct to say that there was a drop in the farming sector, because the CPA are part of this sector.

However, once again, there have been drops in the independent sector. This should make us worry a bit more. The independent sector dropped by 24.3 percent in 1991, and during the first four months [of 1992] it dropped 8.1 percent, despite the fact that we did not have those adverse weather problems with the tomatoes and other crops. We need to investigate further what factors have had an impact.

Of course, there are provinces—as we were able to see here and from other figures that we have—in which all three factors dropped... [pauses] all three sectors dropped: the state, the cooperatives, and the independent sectors. There is one province in which all three increased. I believe that it is encouraging to see what Havana Province has done. What was done in 1991? The state sector increased by 67.7 percent, the CPA dropped by 2.2 percent, and the independent farmers dropped by 19.1 percent during 1991.

Now, during the first four months of 1992, the state sector again increased in comparison to last year, and by a considerable amount: 53.2 percent. The CPA also increased considerably. They increased by 37.4 percent. That is considerable. The independent sector increased this year in comparison to last year when they dropped. They still have to reach their 1990 level, but they have already increased by 8.4 [percent].

In other words, what is happening here, what is happening in this province... [pauses] This province, by producing more, frees the other provinces, since much of the supplies for Havana City, which has 2.1 million inhabitants, came from the other provinces, Pinar del Rio, Matanzas, Villa Clara, Camaguey, and even from the eastern provinces. Sometimes, products even came from Holguin Province.

Here we have to feed more than 3 million inhabitants with tubers and vegetables on 42,000 hectares, as we were saying. These are the inhabitants of the capital, the inhabitants of Havana Province, plus the state entities, which is the equivalent of hundreds of thousands of additional consumers. It is very good for the country for this province to increase production significantly, as it is doing.

Of course, the state enterprises had greater potential. The lands of the CPA were being exploited pretty well, although they lacked workers. The state enterprises were lacking even more workers, and they had greater growth potential. By improving organization and efficiency, by applying science and technology, it is logical that these state enterprises would make a great leap forward in production, especially if they had the work force.

But look how the cooperatives had still more potential, despite the fact that their lands were being much better exploited than state lands. Their potential is evidenced by this increase in production in Havana Province in 1992. So, we have an example of... [pauses] and we are in a special period, and also have less fuel and fewer resources, but the problem of the work force has been solved, especially thanks to the cooperation of Havana City Province, basically. Havana Province is cooperating too, but naturally the city has more personnel, more inhabitants, much more human potential, and the capital is helping in the production of its own supplies.

This is the real situation. We must pay special attention to the independent producers, so as to find out what their problems are. From a few examples that came up here, such as that of Peladeros and others, or the example brought up by the comrade from Niquero, we can see that it can be done, with fewer resources, in the middle of a special period, and despite climate problems. Thus, we must know the problems well, so as to achieve this increase, so as to have this become generalized. It is a most important task of the ANAP to tackle this problem, study it, and work with the independent farmers. In Havana we are working with them. [Words indistinct] was put to them here in Havana: Choose. This is the program. What part of this program do you prefer? How much potato do you want to plant, how much garlic, how much in carrots, how much of other things? It is not a question of imposing a program on them. I mean, the program for the province, what the country needs, is this. Choose from this.

Of course, many choose garlic, which brings in a high income. It also requires a big work force. Sometimes concentration on garlic results in neglect of carrots, or neglect of tomatoes. We must study the problem, see how we can do all these things. Also, sometimes there is an excess of crops other than the commercial ones. Perhaps more land than necessary for self-sufficiency was planted with beans at that time of the year, to the detriment of planting that needs to be done because yucca, boniato, or tomatoes, which are crops for that season. We do not have enough land available to allow ourselves the luxury of reducing the potato areas.

Note that we must still plant tomatoes in Pinar del Rio so as to help supply the capital. The province has to make a big effort. Note that in the past few years we have had to devote 750 caballerias of canefields to the planting of tubers and vegetables. We cannot under use the land. We must plant potatoes, which are going to give us 5,000 or 6,000 quintals [per caballeria] to supply the market. So if you exaggerate the area of beans for self-sufficiency purposes, you cannot plant potatoes, or you stop growing boniato, yucca, or some other crop, or carrots.

We have to achieve a rational exploitation of the land of the independent farmers. We must talk with them, converse, listen, and explain all these things to them.

Of course, we do not interfere with their self-sufficiency planting. In fact, in Havana Province, the raising of pigs was authorized a year ago. This is something that for sanitary reasons had not been authorized. There are many people raising pigs in Havana Province. We have to avoid letting people feed the pigs with plantains, or boniato, or potatoes, or any of those things. Pigs should be fed scraps from the harvests and so forth. If too much land is used in order to be able to feed the pigs, this will then be to the detriment of the production of tomatoes, yucca, boniato, potatoes, carrots, beets, and other crops, in short, that these 3 million consumers need.

This includes, and I repeat, social consumption, an area where we have already made a great effort as 750 caballerias of irrigated canefields were turned over to be used for producing food for these 3 million inhabitants. So it is logical for us to demand that rational and optimal use be made of these lands. There are also some crops that lend themselves more to diversion. We already know that beans lend themselves to diversion quite a lot. If you plant much more than you need for self-sufficiency purposes, that surplus could end up, through irregular routes, in black market.

These things have to be analyzed. However, one can work perfectly, some work perfectly, using rational methods, with the state enterprises, the CPA, and the independent farmers, taking into account their interests, seeing what interests them, what is suitable for them and so forth, appealing to their sense of civic, revolutionary, and patriotic duty. That is very important.

We must be aware of the fact that at this moment, money is not the primary motivation. Money abounds, as you know. At a moment such as this, when the country is going through a special period, a big dose of patriotism is needed. We must appeal to the small farmers' sense of solidarity, their revolutionary feelings, the small farmers' patriotic feelings. We must explain things to them. Because if we wanted or tried to solve this on the basis of money... [pauses] Money does have a role, you know. The prices paid, as has been said here, bring the small farmers reasonable income, a relatively high income. Some people have explained this here.

We have even begun raising prices lately, including some retail prices. Some prices have been raised gradually, in an attempt to make prices correspond to costs, and in order to try to encourage the production of certain crops, because if one crop brings you greater income than another, the one that brings you greater income will always have a privileged place. But we must appeal to the sense of solidarity, to the revolutionary and patriotic sentiments of everyone. Without this, we would not be able to solve the problems of the special period, which are not normal conditions. They are conditions under which many things are in short supply. If we were to think, if we were to fall under the illusion of thinking, that we can solve these problems by printing bills and distributing money, we would be really very mistaken, totally mistaken.

Now, as regards the specific topic of diversion of resources, something became very obvious here. The thing is that innocent people are having to suffer consequences that should belong only to the guilty. There are indeed ANAP members—as has been stated and acknowledged here—who divert resources. They certainly do not constitute a majority. They are a minority. But of course a certain, small minority contributes, or can contribute, to a reduction in deliveries. Or if less is planted, this too can contribute to a reduction in deliveries, which can be influenced by a series of factors: How much is being planted? How is it being planted? What technique is being applied? How much is being turned over to the state?

ANAP knows of certain cases of people who, after consuming a goodly amount of fuel and fertilizer, have delivered 20, 30, or 35 quintals of tubers. There are well-known isolated cases. Some cases are notorious; others are a bit more discreet. The comrades from Villa Clara told us that they knew, from among the 11,000 independent producers of one kind or another—how many were they?—1,000 and some who participate in this diversion of resources.

However, it can be clearly seen here that one must make a distinction between this small farmer and that small farmer. Because the greatest disorder exists among a large number of landholders who for several different reasons have plots of one or two hectares, sometimes a bit more. Sometimes because of irregularities, there is one who has... [pauses] who is old because he retired from where he was working and then moved out into the countryside.

There are irregularities that give rise to people holding up to six, seven, or 10 hectares, or one caballeria, and they have nothing to do with the ANAP. That is, there are many people who elude all supervision by the ANAP, who do not feel themselves to be members of the ANAP, who elude all control by the ANAP. They elude the authority of the state collection enterprise, because some of those who have a few fruit trees, or the people who plant one product or another and do not make deliveries, are not, strictly speaking, ANAP members.

However, there are ANAP members who do this. But there are many landowners, and some of them are illegal, who use and abuse the practice of the illegal distributions. They cause economic damage, of course, but they also cause moral damage, especially. Because people who do not know better call everybody a farmer. They do not know if they belong to the ANAP or not. They do not know if they have a moral obligation to the organization. So they just call them farmers. They generalize. They say that it is the farmers who are doing this or that, or that they are speculating. Then it turns out that they are not members. They do not have a farmer's attitude, and they are really not part of the farmers' organization.

Of course, we should not force anyone to belong to the farmers' organization. But we should be aware of what

our powers and jurisdiction are. That is why yesterday I was saying that the ANAP can have jurisdiction over anyone who is a landowner. In other words, the ANAP must be involved, and no one can use the excuse: I am not an ANAP member so I can do whatever I want.

The ANAP can say: You are a landowner, and even though you are not an ANAP member you have social and moral obligations to your country and nation. You do not have the right to steal, speculate, or commit such an injustice against the people during the special period, guided by foolish greed in wanting to accumulate more and more money. In addition, you have no right to discredit the farmers so that everyone has a bad opinion of farmers as a consequence of your behavior.

The ANAP must have jurisdiction over all landowners as a principle. It must have the right to demand from them. But, in addition, the people's councils should have the right of jurisdiction over all landowners. We must find practical means. As I said yesterday, we cannot expect that under these circumstances a truck will come along to collect, plant by plant, one or two quintals of mangoes or any other crop. We must find mechanisms that will guarantee that these products get to the state collection enterprise or that they get to the people and are not the subject of speculation.

It became evident that the structure for attending to the farmers was not efficient. A new structure has been worked out to give more direct attention to farmers so that farmers can talk to one person instead of 10. This is to make things easier. Or course, this requires good selection of personnel; competent, responsible, and honest personnel. If they stop being honest, we will change them. If they stop being honest, we must detect them in time so that they can be changed. You cannot guarantee that a person who is honest today will be honest tomorrow. There are people who are honest throughout their lives, and there are people who are honest only during part of their lives. All this must be monitored: how they work and how these people, who are in positions of responsibility, give service. The ANAP should supervise their work. The people's councils should also supervise their work.

The ANAP, the people's councils, and the Ministry of Agriculture should create practical and intelligent formulas to fight speculation and guarantee an end to such blatant theft, which consists in selling an item at 20 times its price. This should not be described as anything other than theft. If we talk about surveillance, we talk about surveillance and armed patrols to fight common crime. Some may want to steal plantains, or they may want to steal yucca or boniato. We must also organize ourselves to prevent those other forms of theft.

Because it is the same thing if an individual steals plantains or if he sells them at 10 or 20 times their price, or if he sells malanga at 10 times its price. Because anyone who sells malanga at 10 times its price has stolen nine pounds of malanga. He has not earned it. He has not produced 10 pounds. He has produced one and has sold it for the price of 10, taking advantage of a momentary need, or of a sick family member whose doctor has prescribed malanga under the theory of its medicinal properties.

The adviser will excuse me [chuckles] because he defended the use of malanga as a medicine. Prudencio [not further identified] also spoke about the use of malanga as a medicine. In fact, I have spoken to doctors and have told them to clarify for once and for all that there are other tubers that are very good for the stomach. Squash, or yucca, or plantains are good for your stomach. From plantains they obtain (?bananina). The best food for children is (?bananina). It is better than malanga. Everyone knows that malanga is good. It is good, it is not acidic, it does not upset the stomach, but yucca is also good. Potatoes are also good.

Some are better than others. But, what do you think? Do you think that there is malanga in Europe? Have you ever heard that in France, Italy, England, Spain, and Europe there is malanga? What are children fed? They do not have any malanga. They make other products derived from flour, wheat, and other things, and they have lots of potatoes. What they feed the children in Europe is potatoes. They give them lots of potatoes because they have few tubers. They may also give them carrots or something else.

But the theory of malanga as a medicine cannot be upheld. There are some doctors that have this stuck in their heads. They do not know how to prescribe anything else, and they prescribe malanga. Then the state has to guarantee the production of malanga, which was recommended by the doctors. Malanga has now turned into a medicine, in a country that has so many different tubers and also has plantains. We will have a large amounts of plantains; we are obtaining them in increasing amounts. But if some people believe something is a medicine, they will pay any price.

We must also take into consideration that the people who pay too much could be people from the city who are not very honest. I admit that there may be good and honest people who at a given time have been weak or who due to necessity have had to make an illegal purchase. In this situation, the person who ties up the goat is as guilty as the one who... [pauses] How does it go? How does that peasant saying go? [answer indistinct] A goat. Let us say a goat; we do not want to kill a cow now. [laughter] The person who kills the goat is just as guilty as the person who ties up the goat.

Of course, the people who speculate always have someone who cooperates with them, for one reason or another. Just like the person who steals stolen goods... [pauses] who buys stolen goods. He comes around, kills a cow, and then the customers show up. But do not forget that in the cities there are speculators, illegal vendors, hoarders, and thieves, and they have all the money they

want. They can go around buying things. Is it fair for farmers to sell to these people?

These are the types of problems we have. I believe that starting with this congress—although I do not believe that there is going to be a miracle and that tomorrow all this will end—with the agreement and declaration of this congress and with intelligent measures we will be able to fight this bad habit, vice, and immorality, which is the diversion of resources, better every day. It is an injustice against the people.

Many of you here spoke from the heart, saying: How can it be possible that someone who receives all he needs could do something like this? If he were to need a heart operation he would be operated on, even if he is an illegal vendor and the operation costs $100,000. He would receive any type of medical care or treatment he needed, and could stay in the hospital as many months as he needed. His children would be educated. He would have the security that a citizen has with the revolution. How can he carry out these types of activities? It is very immoral.

There are moral factors in the people: honor, dignity, pride, and self-worth. This is a tremendous force. This is a tremendous force. [repeats] We need to use this moral force to fight this. This is also a factor in this fight, besides the legal measures that may be applied. When there are no other alternatives, they must be applied. It is my opinion that after this congress—as in the past when the fight against other kinds of crime was strengthened, against those who are found stealing—we need to strengthen the fight against this other kind of crime and against this other kind of theft, which is these kinds of sales at shameful prices, which some people do.

Above all, we must fight so that some farmers are not mistaken for others. We must fight so that a landowner who is not associated to anything and who has tried to be free of all obligations to do whatever he feels like doing, is not mistaken for another farmer. The people must understand the sense of honor of our peasants and farmers, and what they are doing, and how they are helping our country, and the way they have acted during this special period.

We must say that farmers have had many glorious moments in the history of our country. They have played a very important role throughout the history of our country. They have played a very important role in the revolution. They have many values, and those values were reflected here. Someone might say that the best farmers were present at this congress. Yes, of course, the best were at this congress, those who have the most merits, history, capability, and lucidity. But that does not explain the feelings that you have expressed here. We must say that not only are the best here, but the most representative farmers are here. These farmers represent the rest of the farmers. These farmers are the bearers of the feelings, honor, and dignity of the rest of the farmers. [applause]

These delegates are the ones who have the most authority and prestige among the farmers. These are the farmers who lead the rest of the farmers. So it is true, and based on the fact that the best are here, the farmers who are here have great influence. They represent their sector as brothers of the working class, as allies and brothers. I like the word brother better than the word ally, because it expresses more, and it says more. These are the ones who lead the farmers.

Therefore, it is not that the best spoke here. The farmers of the country spoke here through these men who have the most merit, authority, and prestige. Who is going to question the prestige, authority, and influence of the presidents of the credit and services cooperatives who spoke here, or the presidents of the cooperatives who spoke here? Nobody can question it; no one has the right to do so. History will not be altered or changed. Farmers will continue to be a cornerstone of the revolution. They will continue to be a fundamental factor of the revolution, one of the pillars of the revolution. [applause]

Our imperialist enemies should not be deceived. The farmers were the ones who provided the fundamental strength of the army of liberation in the wars of 1868 and 1895. The farmers were the ones who provided the the fundamental strength of the rebel army in the last war of liberation. Farmers know very well what happened in Cuba. They know what Cuba was like, the Cuba of the colony, against which they rebelled, the Cuba of the landholders, and the Cuba of the imperialists' lackeys, against whom they also rebelled.

Farmers know very well what the Cuba of the landowners was like. They know of all the injustices and abuses. I do not have to mention them, because you have mentioned them with a lot more eloquence than anyone could. Farmers have a clear awareness and a higher level of culture. If some problems arise, it is in part due to deficiencies in our work, because we have taken too long in reacting with all the needed efficiency, but we react. We react with the efficiency that is required.

Farmers know what happened in this country. When the big Yankee companies came, they took all the land. That is more or less what they would like to do today. They would like to take all the lands and riches of this country. They want to rule this country and do whatever they want to in this country. We are not going to allow this, because they may rule others but they will not rule a single Cuban who has patriotic feelings, nor a single Cuban who has honor and pride. [applause]

They had better not underestimate us, much less underestimate our farmers, who have not only carried out, throughout history, their most sacred duties, but throughout the revolution they have carried out their internationalist duties. How many farmers have participated in internationalist missions? How many farmers have shed their blood and the blood of their loved ones in the fulfillment of their most sacred revolutionary duties inside and outside Cuba? Our farmers have this

whole sense of glory, honor, and dignity. This cannot be disregarded. Our farmers are our reserves, our Territorial Troops Militias [MTT]. The regular army reserves and MTT are organized into defense zones, and they are armed.

They are the ones who maintain order. Before, there were the rural guards with big horses that came from Texas. They were Texan horses. The rural guards also had big Texan hats. They copied them from the Yankee occupation troops. They had big machetes, which were not exactly the same as the Mambi machetes for leading the calvary charges against the enemy, against the oppressors of the nation. Instead, they were for leading the calvary charges against the poor men of the people, for leading calvary charges against the farmers to evict, abuse, and exploit them, and give their land to a landowner.

So the farmers know all this history and everything that has happened here, and they defend it. They defend it with their guns in their hands. This is why I said that today order is not imposed by those people, the rural guards. Today it is the farmers. I ask myself: In what other part of the world is it the farmers who maintain order? If guns were given to the farmers elsewhere, you know what would happen. It was forbidden, and anyone who even thought of it would be considered crazy and with good reason. Because what could they give the exploited, enslaved, poor people? How could they give them the job of maintaining order? In this country, it is order that is the highest expression of the state's functions, one of the highest expressions. The farmers maintain it, together with the agricultural workers and the people.

This is the truth. It is not just a question of having schools, doctors, and childcare centers, or of having 26 from Ceballos who are already university-graduated professionals. And only nine are working in agricultural activities, according to what became evident yesterday, when I said that this had gone too far. Because if there are 26 from Ceballos, imagine! They are in the universities, they have become professors and teachers. Everyone is into it. Of course, this is why we must increase production and efficiency. It is not only this. It is not everything we have today, but also the dignity and respect people have today, the functions that people have because they are the strength, the power.

Of course, we are the enemy of the illegal vendors and the Yankees. Well, they are the same; there is not a big difference. The difference is the difference between a small thief and a big thief. [laughter] I am not referring to the American people; not at all. Like all people, they have great virtues. I am referring to the oligarchy, the oligarchic classes, the exploiters of that country. There has just been an explosion. Well, an explosion has gone off, and there are hundreds of potential explosions there.

What a difference there is, right? Between the farmers who maintain order here and what happens there, where they had to send in regular troops to establish order in the city. There were thousands of soldiers armed to the teeth, and tanks and guns. They sent in the troops that invaded Panama and other countries to establish order there. There were police of every kind. There is no country in the world with more police than that one.

Look at the difference. The people can see all this. The farmers see all this. These are the facts, and we are not willing to surrender no matter what sacrifices we may have to make. Our liberators made much greater sacrifices in 1868 and 1895, and during those years of General Weyler's concentration plan. How much work our people suffered through! How much hunger they suffered! And during the years of Machado in the republic, how much work our farmers and agricultural workers suffered through! How much suffering, how much neglect!

They did not have employment. They were forced to stand in line at the sugarcane plantations so they could be given the chance to cut cane. There was not even cold water, or camps, or dining halls, or transportation, or lunches, or any of this. The men carried a bag, and if they could they put some bread with guava jelly on it, and they went all day like that, without water, dining hall, breaks, transportation, or anything, and they often cut the cane (?barefoot).

Those really were terrible sacrifices. During the Machado years, they did not have land. Now the land belongs to the people. There are no foreign companies here that own land. All the land available in the country is in the hands of the people to grow sugarcane, coffee, cacao, tobacco, fruit, tubers, vegetables, rice, pasturage, to produce milk, meat, and food. For whom? For the people. Or to export it to obtain food, medicine, and raw materials for the people.

The people have all these resources available. During the Machado years, they did not have anything. They were unemployed and barefoot, nothing more. If they got a piece of land, you know what happened. They were surrounded by large estates everywhere. Today we have the emulation process between the state lands, which is what the state cultivates; the lands of the CPA; and the lands of the independent farmers. Everyone is searching, trying to produce more food for the people.

We have the land. As difficult as the conditions may be, we can cultivate it, using tractors, if there is fuel, or using oxen, or whatever it takes. We have the technology and the science. No one is barring us from finding different varieties. We quickly develop the ones we have. We have all kinds of possibilities. Our sacrifices do not resemble at all those made by the Cubans before. Imagine what the Cuban countryside was like during the wars of 1868 and 1895. Imagine what the countryside was like during the time of Weyler's concentration plan.

Imagine the situation in our countryside during the Machado years. This situation was prolonged indefinitely until the victory of the revolution. There is

nothing more to say. When the revolution triumphed there were approximately 600,000 unemployed people in Cuba. There was backwardness in public health, education, and everything. Those who had barely learned how to write their names could consider themselves to be privileged.

Even during this special period, our situation and possibilities are much greater than what the people had in other times, because the people own their wealth. The people are the master of their fate. This is what is important. We cannot allow anyone to take away this mastery over our fate from us.

It is true that we have a number of landowners who act worse than the United Fruit Company. Some of those large landowners want to obtain more money than those people with one or two hectares planted with some products which for one or another reason may be scarce. But the great majority of the land, let us say, to be more exact, is in the hands of working people, honest people, patriotic people, revolutionary people.

This is what we have. Those are the conclusions we must draw from everything we have seen here during these three excellent days, especially the first two days when the general national issues were discussed. I know that this morning you discussed internal issues. But we truly have reasons to feel pleased and proud, to return to the provinces and fields full of motivation, everyone, not only the farmers but also the party, government, and Ministry of Agriculture officials.

Now, we will do our tasks. We are behind schedule in planting sugarcane. We are behind schedule planting tubers and vegetables. We are behind schedule planting pasture. We are behind planting rice, in planting everything. We are behind schedule in the sugar harvest. Now we are making up for lost time. The setbacks caused by the late rains delayed many of these things. We have difficulties to overcome, by making a great effort in all fields, including in livestock raising, which I had not mentioned. Great technical innovations are being introduced, such as the rational grazing system with electrified fences. This has produced a revolution in livestock raising as big as the microjet irrigation system produced with plantains.

We are planting legumes: wisteria and leucaena. We have been collecting seeds. We have an ambitious plan. We are planting sugarcane to produce sacharina. Unfortunately, the sugarcane we are now planting in May is behind schedule because of the rain. As I said yesterday, if it rains hard right now it could do us some good but it could also do us a significant amount of damage, because the sugar harvest is not finished yet. The first two weeks [of May] have allowed us to prepared the soil quite a bit and get many fields ready. But naturally, until it rains, we cannot begin to plant sugarcane, soybeans, in many places tubers and vegetables, and rice with irrigation.

Premature rains could cause difficulties in the preparation of the land. Dikes are being built to create bogs in places where the rains might make it impossible to prepare all the land. So we are anticipating what might happen and creating the conditions to be able to work. But this month and next month and July will be months of great effort.

We have less herbicides, less fertilizers. We have very little herbicides and fertilizers, but if weeds grow in the canefields, the lack of fertilizers causes more damages. We must weed the sugarcane, cultivate it, plant it well, weed it, cultivate it, cultivate the regrowth, use straw as an herbicide. All this will help us in these conditions. This is why we have to cultivate the sugarcane to compensate for the lack of herbicides and fertilizers. You can tell the effort that we are making, how we have to allocate the money peso by peso, or in hard currency, for each of the needs we have. But our efforts can help alleviate the problems.

We should conclude this congress with the idea that we have very great work ahead of us in the coming weeks and months. We have to go to our battle posts with our spirits ready, ready to wage the battle and win it. I know that you will return to the fields with this spirit. You will return with this spirit, this morale, this confidence, this determination, and this resolution. You will be certain that no matter what the difficulties are, we will be capable of overcoming them. We will be capable of moving forward.

The only thing left to do is to thank you for the congress you have had, for the happiness and satisfaction that we have felt to see the level and quality of the discussions and analyses. I thank you as a revolutionary of this era—we have already been at this revolutionary task for quite a while—for having had the opportunity to see with my own eyes and behold the results of what the revolution has planted in the hearts and minds of our farmers.

I feel the desire to shout: Viva our farmers! Viva our farming sector! Viva our nation! Viva the revolution! Socialism or death, fatherland or death, we will win! [applause]

UN To Consider Accusations of U.S. 'Terrorism'

PA2105190692 Havana Radio Havana Cuba in Spanish 0000 GMT 21 May 92

[Commentary by Roberto Morejon]

[Text] Cuba has just defeated U.S. moves intended to foil, or at least delay for an unspecified period of time, a UN Security Council meeting requested by Cuba to consider terrorist activities against the island encouraged, tolerated, and defended by the U.S. Government. Finally, the Security Council agreed to meet on 22 May to debate this aspect of the Cuban-U.S. disagreement, and Cuba's request for the extradition of Cuban-born counterrevolutionaries Orlando Bosch and Luis Posada Carriles. These individuals, notorious CIA agents, masterminded the bombing of a Cuban plane in 1976, killing

73 passengers. Bosch moves freely through Miami, while allegedly under house arrest. Posada was last seen in Central America, serving as an adviser for Nicaraguan counterrevolutionaries.

Ricardo Alarcon, Cuban ambassador to the United Nations, had been requesting a Security Council meeting since 27 April, but his note remained in the drawers of officials' desks under all kinds of pretexts. The evident delay forced Cuba to reiterate its request and reinforce its arguments with confidential U.S. Justice Department documents on the responsibility of Bosch and Posada for the explosion aboard the Cuban plane near the coast of Barbados.

The fact that the meeting has been convened, as Cuba demanded, confirms the Havana authorities' allegation that the Security Council must meet any such request made by Security Council member countries. Some Security Council members had previously insisted that there was no reason to convene the meeting, a stand which Ambassador Alarcon firmly refuted. Cuba expects the Security Council to act in this particular instance according to its January 1992 statement expressing its determination to eliminate international terrorism. Resolution 748—according to which every country must refrain from organizing or instigating terrorism in other countries, helping perpetrators, participating in such actions, or tolerating activities organized in their territories and leading to terrorist activities involving threats or the use of force—is still binding.

U.S. Unable To Respond

FL2105235292 Havana Radio Rebelde Network in Spanish 2320 GMT 21 May 92

[Text] Friends, a cable which reached the Exclusive editorial staff of Radio Rebelde at the last minute says that the United States has declared itself unable to respond to Cuban accusations—in which U.S. President George Bush has been personally implicated—of promoting, encouraging, and protecting terrorism against Cuba before the Security Council.

Cuban Ambassador Ricardo Alarcon de Quesada demanded that the United States deliver to the Security Council all the information it has on Orlando Bosch and Luis Posada Carriles, two employees of the U.S. Government guilty of sabotage in the bombing of a Cuban plane in which 73 passengers were killed. According to confidential and public information from various U.S. sources, the Cuban ambassador showed how groups of Cuban exiles publicly meet and train in the United States to prepare terrorist acts against Cuba.

I repeat, a last minute PRENSA LATINA cable reports that today the United States declared itself unable to respond to Cuban accusations, in which President George Bush is personally implicated, of promoting, encouraging, and protecting terrorism against Cuba before the Security Council.

Castro Decorates Uruguayan 'Political Militant'

FL2105134692 Havana Radio Progreso Network in Spanish 1100 GMT 21 May 92

[Text] At a simple ceremony held last night at the Palace of the Revolution, Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers, presented the Order of Solidarity to (Alba Roballo Veron), an outstanding Uruguayan political militant and revolutionary intellectual who has firmly and determinedly maintained solidarity with the Cuban people for more than 30 years. Prominent Uruguayan (Irene Lazo Pereira) and officials of the Cuban Institute of Friendship with Peoples and the Council of State participated in the ceremony.

Raul Castro Assesses Santiago Defense Readiness

FL2105135292 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 21 May 92

[Text] Colonel William Mastrapa, the chief of the provincial general staff, briefed Army General Raul Castro, the minister of the Revolutionary Armed Forces [FAR], on the status of training and defense readiness in Santiago de Cuba Province. Those participating with him in this working visit included Division General Ramon Espinosa, head of the Eastern Army; Politburo members Esteban Lazo and Maria de los Angeles Garcia; other members of the Central Committee; and military chiefs.

More than 500,000 Santiago residents, which is equivalent to half the population and is 97 percent of those capable of bearing weapons, have joined some military unit. These 500,000 combatants are organized into regular and reserve FAR units, Ministry of the Interior units, the Territorial Troops Militias, and the Production and Defense Brigades. The province's citizens able to bear arms have been massively and virtually totally included in the different forms of the country's defense organization to combat a possible armed attack by U.S. imperialism against Cuba.

That is why it was pointless to ask for quantitative information, and Raul's questions were directed toward qualitative aspects. The answers were convincing. More than half the province's defense zones have been declared ready for defense in the second stage. Songo-La Maya and Contramaestre Municipalities are outstanding; their zones have met all the demanding requirements to obtain this status. The civil defense tunnels are an eloquent expression of how the masses are determined to prepare to resist the most brutal blows by air and sea from the enemy's sophisticated weapons, and to maintain their combat capabilities in order to annihilate any invading detachment that dares to set foot on the nation's sacred land.

In the past four months, the province has exceeded the extensive plan that had been set forth, and has surpassed by far what was done in the same period last year. However, there is still one challenge left: to set the same pace as Manzanillo, the top municipality in the country.

An undisputed fact shows the discipline of the officers and soldiers of the regular mobilized troops: The camp of the disciplinary platoon, which was created to hold those who commit punishable offenses, is empty.

The provincial general staff pays special attention—along with the combat training of the forces and preparation of the terrain—to the food program, so that the troops will become self-sufficient. It not only plans the production of tubers and vegetables to reach the goal of a 30-percent increase this year, with a view to achieving complete self-sufficiency in these products by 1993, but also plants food for livestock, which along with waste products becomes meat, milk, eggs, and some fats. Grain is planted wherever feasible, and fish are raised in every body of water that has been designated for fish farming.

Here, as in all FAR units, and to different extents, depending on the regional conditions and the greater or lesser initiative of the cadre chiefs, they are fighting to reach complete self-sufficiency. The FAR minister stressed: We will need only salt and sugar from the state. He said this when describing as positive the status of the food program in this command. The army general inquired about the educational quality of the provincial school, which should become a mini military academy, teaching the doctrine of the entire people's war adapted to the specific conditions of the province's theater of operations. Colonel Mastrapa answered that progress has been made in this respect, and he gave examples, although there is still a lot to be done.

Raul asked other sharp questions of the chief of the provincial general staff, whose pointer drew erratic circles in the air while he thought of how to answer these incisive questions. This is a common method used by Raul to seek the real truths and in order to test the maturity and analytic depth of the officers. But, when we left the provincial general staff, the FAR minister and all those who accompanied him came away with a conviction: Santiago de Cuba is an unconquerable bastion of the revolution. It is the land of Mariana [Grajales], the Maceo brothers, Guillermon, and Frank Pais. Raul asserted that the capital of the province, the heroic city of the republic, is the best-armed municipality in the country. That is Santiago de Cuba. You should not be surprised at all.

Mexican Envoy Notes 'Excellence' in Relations

FL2105165992 Havana Radio Rebelde Network in Spanish 1155 GMT 21 May 92

[Text] Mexican Ambassador to Cuba Mario Moya Palencia has said that his stay in Cuba as ambassador and his dealings with the Cuban people are one of the experiences for which he would always be thankful. Moya Palencia made these comments after honoring Jose Marti with a floral wreath at the central park in Havana, on the occasion of the 90th anniversary of the establishment of diplomatic relations between Cuba and Mexico. He added that relations between the two countries are an example which both are proud of, and which go beyond scientific and cultural aspects to general excellence.

During the ceremony, representatives from Latin American diplomatic missions and officials from the Mexican Embassy stood in an honor guard before the statue of the national hero, Jose Marti. Vice Foreign Minister Raul Roa Kouri, and Raul Flores, acting president of the Cuban Institute of Friendship with Peoples, also attended the ceremony.

The Cuban Embassy in Mexico carried out an identical ceremony at the monument to Benito Juarez, the father of the Mexican nation's independence.

Dissident Opposed to 'State Socialism' on Trial

FL2105134192 Bonaire Trans World Radio in English 1130 GMT 8 May 92

[Text] A leading dissident in Cuba, Indamiro Restano, has gone on trial in Havana, charged with rebellion. He is the leader of the anti-communist Harmony Movement and faces up to 12 years in prison for recruiting members for his dissident organization and distributing pamphlets attacking Cuba's communist institutions. Mr. Restano, who is permitted to refute the charges, says he opposed what he calls state socialism.

Prosecutor Asks for Prison Terms for Dissidents

PA2205044192 Havana Radio Havana Cuba in Spanish 0100 GMT 22 May 92

[Text] The Havana Prosecutor's Office has requested 12-year and eight-year sentences for Rolando Indamiro Restano Diaz and Maria Elena Aparicio Rodriguez, charged with rebellion.

The accused—who are the president and coordinator, respectively, of the counterrevolutionary Harmony Movement—tried to establish clandestine cells and distribute printed material inciting civil disobedience and actions against socialist society. Prosecutor Jorge Boves said the accused were acting in line with the interests of foreign powers, particularly the United States, a country that does not hide its intentions of military intervention in Cuba.

UJC's Robaina in Germany for Solidarity Campaigns

FL2105193092 Havana Radio Rebelde Network in Spanish 1700 GMT 21 May 92

[Text] Campaigns of friendship with Cuba sponsored by six European Parliament legislators and about 20 organizations for solidarity with Cuba are to begin today in Bonn, Germany. Roberto Robaina, first secretary of Cuba's Union of Young Communists [UJC], is heading the Cuban delegation to this event.

The campaigns of friendship, in which it is hoped thousands of people will participate, are aimed at condemning the economic embargo imposed on Cuba by the United States since 1959, as well as demanding that Cuban sovereignty be respected. This event is the first of its kind to be celebrated in the very heart of Germany, and its central activity will take place on 23 May during a congress. The watchword of this congress will be: Solidarity with Cuba and an end to the embargo by the United States, the EC, and Germany.

Among the speakers at this forum are European Parliament Member (Dorothy Thiermann), from the host country; liberation theologist Frei Betto of Brazil; and Peace for Cubans [preceding name in English] coordinator Teresa Gutierrez of the United States.

UJC leader Robaina is planning to meet with German authorities and political figures today. Since last week, the local pro-Cuban movements have been carrying out organizational and promotional activities regarding what diplomatic circles have termed a historic event.

Haiti

Chamber Ratifies Villa d'Accueil Agreement

FL2105140292 Port-au-Prince Radio Tropic FM in French 1230 GMT 21 May 92

[Text] The Haitian deputies ratified, on 20 May, the tripartite agreement signed by the provisional government, the parliament, and the Army, which provides for the resignation of the provisional president once a consensus government for the protection of the general public is formed. The approved text indicates that the provisional president will resign from his post once the consensus government takes office, and that the vacuum created by the resignation of the provisional president will not be filled until a final, global resolution to the crisis is found. This stipulation, not included in the original draft of the tripartite agreement which was signed on 8 May in Port-au-Prince, was added at the request of the socialist parliamentarians after discussions in camera with the other deputies. The ratification law should now be presented to the Senate for approval.

According to parliamentary sources, the senators last Friday approved the tripartite agreement as well as the changes demanded by the socialist parliamentarians.

Senate Session on Villa d'Accueil Canceled

FL2105221092 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 21 May 92

[Report by reporter Erina from Legislative Palace—live]

[Text] Thirteen senators attended the Senate session today. However, the session could not even begin according to a law voted on by the Senate last week, although a quorum was reached with 13 senators.

The session stalled following Senator Robert Opont's comments. He referred to Article 125 of the Constitution and said that as long as the law had not been published in the country's official newspaper, the law cannot be executed. Everyone had to agree with Senator Opont and the session was postponed until tomorrow.

The senators were scheduled to discuss the ratification of the Villa d'Accueil agreement, aimed at forming a consensus government and of general public protection to strengthen democracy in Haiti, after the Chamber of Deputies modified it. The Senate session has currently been canceled and we do not know when it will resume. Since the law has not yet been published in the official newspaper, the 13 senators cannot vote on it.

Reportage on General Strike, Demonstrations

Streets Empty

FL2105125692 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 21 May 91

[Text] Twenty-nine union and socio-professional organizations have called a general strike for today, Thursday 21 May. According to the organizations, the general strike should serve as a warning against dictatorship, against the Villa d'Accueil agreement, and as a call for the restoration of democracy and the 16 December government so freedom of expression can return to the country.

What is the status of the strike? Even though it is still early, we note that there are not as many cars as one usually finds at 1115 in the morning in the Port-au-Prince streets. The streets are almost completely deserted. Only a few people are moving around. We have also observed police cars patrolling all streets in Port-au-Prince.

Students Demonstrate

FL2105174792 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 21 May 92

[Text] Today our newscast will discuss the unrest in some public Port-au-Prince high schools, such as Lycee Firmin and Lycee Toussaint, both of which were devastated yesterday during a protest movement that the students initiated last week.

The students in Lycee Toussaint Antenor Firmin hurled many angry words at the provisional government, demanding the return of the ousted president. Consequently, military and civilian personnnel from the Anti-Gang Service surrounded the high school until late afternoon. A similar incident occurred in Lycee Alexandre Petion last Friday.

The students of Lycee Toussaint also demonstrated yesterday. A group of individuals attacked a military man passing through Rue Saint-Honore. According to a communique issued by general headquarters, the soldier was identified as Sublieutenant Joseph Charles, who

received many blows from his attackers. According to the note from general headquarters, the officer was rushed to the military hospital. The communique adds that Sublieutenant Charles had lost his weapons during the incident.

General headquarters calls on school directors and teachers, as well as parents, to assume responsibility for training the youth who represent the future of the country. The note adds that the Haitian Army is willing to help the country live in peace so the academic year can continue. According to the communique, the Army is always willing to participate in any and all steps aimed at finding a solution to the country's crisis.

Further on Students

FL2105175392 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 21 May 92

[Excerpts] Students of Lycee Firmin, Lycee Daniel Fignole, and Lycee Petion, three public high schools, initiated a movement of protest within their high schools demanding the return of President Jean-Bertrand Aristide. Policemen surrounded Lycee Firmin yesterday, preventing students from leaving.

According to witnesses, the students of the Faculty of Human Sciences were in dire straits when police raided the facility yesterday afternoon, allegedly arresting professors and students. [passage omitted]

The latest news reports that Professor Camille Charlemers, one of those arrested at the Faculty of Human Sciences, was released last night.

Army Denies Curfew Rumors

FL2105181592 Port-au-Prince Radio Nationale in Creole 1330 GMT 21 May 92

[Text] Another maneuver aimed at thwarting the normal course of events is a rumor that professional agitators are spreading, alleging that a strike... [pauses] curfew has allegedly been imposed. On that score, general headquarters of the Port-au-Prince Metropolitan Area Military Department has issued the following communique:

[Begin unidentified Army spokesman recording in French] The Metropolitan Area Military Department advises that on the evening of Wednesday 20 May, capricious rumors that a curfew has been imposed throughout the national territory was circulating in the streets of the capital. General headquarters advises that it has not taken any such measure and that it does not even envisage such a measure. Consequently, it urges citizens to attend to their business. Signed: The Metropolitan Area Military Department [end recording]

Strike 'Not Successful'

FL2105185492 Port-au-Prince Radio Tropic FM in French 1700 GMT 21 May 92

[Text] A call for a general strike today issued by 29 political organizations and groupings to demand the return of President Jean-Bertrand Aristide has not been successful in Port-au-Prince or in the main provincial cities. In some sectors of the capital the number of pupils present in the schools decreased as well as the traffic on the roads, but businesses were open throughout the city.

Nevertheless, the forces of order detained and questioned people in several residential areas where young people were hurling stones, according to what eye witnesses.

In the provinces, the situation was normal in most of the cities.

Police Kill 'Several'

PA2105194892 Hamburg DPA in Spanish 1948 GMT 21 May 92

[Text] Port-au-Prince, 21 May (DPA)—Haitian Police killed several persons and staged dozens of arrests during bloody disturbances that have taken place in the past few hours in Port-au-Prince.

Independent radio stations in the Haitian capital reported that the bodies of at least two persons who were killed by bullets were found in the streets of the city on the morning of 21 May. Other reports mention seven dead.

The victims reportedly were killed in one of the neighborhoods surrounding Port-au-Prince when police dispersed a group of demonstrators protesting the ratification of an agreement that appears to make more remote the possibility of ousted President Jean-Bertrand Aristide's return.

The Army and Police repelled the student demonstration and arrested over 60 persons, according to radio sources.

Heavily armed policemen patrolled the streets of the capital on the morning of 21 May. Authorities declined to report on the disturbances.

The people scarcely heeded a call to a general strike made on 20 May by 30 organizations that oppose the de facto regime, according to initial reports.

Violence was unleashed shortly after the Chamber of Deputies ratified the tripartite agreement negotiated among the de facto government, military leaders, and parliamentary leaders to provide a solution to the institutional crisis stemming from the coup d'etat against Aristide last 30 September.

The agreement, approved despite OAS warnings, provides for the formation of a new government headed by a "moderate" prime minister, who must prepare for new elections.

Port-au-Prince observers said the agreement appears to make more remote or virtually annuls the prospects of Aristide's return, which is considered by the OAS an indispensable condition to restoring constitutional order on the Caribbean island.

During an ad hoc meeting on Haiti held last 20 May in the Bahamas, the foreign ministers of the OAS member countries resolved to harden the sanctions against the Haitian regime and reiterated their demand that the so-called Washington Protocol, signed on 23 February, be ratified.

The agreement contemplates the appointment of moderate Communist leader Rene Theodore as new chief of government, with the mission of paving the way for Aristide to regain power.

The Haitian refugee camp established at the U.S. Naval Base in Guantanamo in eastern Cuba is filled to maximum capacity.

Spokespersons for the U.S. Coast Guard reported that over 10,000 Haitian "raftsmen" have been picked up and given refuge in the camp since early May. This is the highest number of refugees ever reported for a one-month period.

Bodies Found; Youths Arrested

FL2105215392 Port-au-Prince Radio Tropic FM in French 2000 GMT 21 May 92

[Excerpt] [passage omitted] Gunshots were heard in Carrefour during the night. According to several witnesses, the body of a young man who had been shot was found on the National Road in Diquini early this morning. Two other bodies of people who were killed under unknown circumstances, were also found early this morning on Boulevard Jean-Jacques Dessalines, a major road in the downtown area. The authorities made several arrests in various neighborhoods this morning, after several young people started throwing stones.

Other Countries

Development Bank Releases 1991 Economy Reports

British Virgin Islands

FL2005204892 Bridgetown CANA in English 2017 GMT 20 May 92

[Text] George Town, Grand Cayman, May 20, CANA—The Caribbean Development Bank (CDB) has reported that the rate of growth of the British Virgin Islands [BVI] economy slowed appreciably in 1991 following a drop in domestic consumption and private investment, as commercial banks restricted credit, and also because of the poor performance of the tourism sector. The bank's annual report for 1991 said that real gross domestic product expanded by only 2 per cent, compared with 8.5 per cent in 1990, despite exceptionally high public sector capital expenditures.

During the nine months to September 1991, total visitor arrivals dropped by 12 per cent to 232,466, compared with 264,260 for the corresponding 1990 period. Stopover visitors dropped by 7.5 per cent from 125,827 to 116,299, while cruiseship arrivals fell by 4.9 per cent to 66,196, and the number of excursionists declined by 27.4 per cent to 49,971. The decline in stopover visitor arrivals was associated with, among other factors, the adverse effects of the Gulf war on arrivals during the first quarter, economic recession in major tourist markets, and a sharp reduction in passenger air-lift to the country as a result of the failure of the locally-owned air carrier.

The construction sector, which benefitted from the strong expansion in the public sector investment programme, was the main growth area in 1991. Major investments included the construction of a central administrative complex, the BVI Community College's main building, a port development project, and water and road projects throughout the BVI.

The distribution sector was affected by a slowdown in domestic consumption induced by a decline in tourism earnings and a credit squeeze. At the same time, offshore business activity increased as the registration of new International Business Companies (IBC's) stood at 14,894 for the 11 months to November 1991, compared with 14,535 for the same period in 1990. Revenues from IBC registrations were U.S.15.7 million dollars in 1991, compared with U.S.11.5 million dollars in 1990.

Agricultural output, particularly food crop and livestock production, increased slightly as government intensified sectoral support, especially in the areas of land lease, farmers' training, farm roads, irrigation systems, and the importation of animals. However, fish catch remained low because of inefficiencies in the marketing and distribution systems and inadequacies in fishing boats, equipment, and training.

The value of the BVI's imports for the first six months of 1991 stood at U.S.64.6 million dollars, compared with U.S.63.3 million dollars for the corresponding 1990 period. With visible exports remaining negligible and tourism earnings, the major source of export earnings, falling by 12 per cent, the current account deficit of the balance of payments widened during the first half of 1991. The fiscal situation deteriorated in 1991, the CDB report said. Current revenues stood at U.S.39.9 million dollars at the end of September 1991, compared with U.S.37.4 million dollars at the end of September 1990.

Concurrently, a rise in current outlays to U.S.31 million dollars from U.S.27.5 million dollars in September 1990 led to a fall in current savings from U.S.9.9 million dollars to U.S.8.9 million dollars. With the sharp increase in capital outlays to U.S.7.7 million dollars at the end of September 1991, from U.S.5.6 million dollars

at the end of September 1990, the overall fiscal surplus fell to U.S.1.2 million dollars for the first nine months of 1991.

During the first nine months to September 1991, commercial bank deposits increased by 7.8 per cent to U.S.342.5 million dollars, compared with an increase of 11.1 per cent in the corresponding period of 1990. During the same period, offshore transactions as a percentage of total deposits increased to 20 per cent from 19.2 per cent. At the same time, loans and advances by commercial banks rose by 3.6 per cent to U.S.167.7 million dollars, from U.S.161.9 million dollars. Towards the end of 1991, credit restrictions were imposed by commercial banks as the recession affected the liquidity position of parent banks abroad. These restrictions included a reduction in mortgage financing to 50 per cent from 80 per cent of total cost of new homes, and reduced limits on overdraft facilities.

Economic policies in 1991 continued to focus on strengthening BVI's attractiveness as a tourist destination and offshore financial centre, and on improving the geographical distribution of economic activity and social services. To encourage the growth of the BVI as an offshore financial centre, new legislation governing the conduct of offshore operations was enacted during the year.

At the same time, work commenced on the construction of a new cruiseship and port facility, expanding power generation and distribution, and providing additional solid waste disposal systems. Inadequacies in passenger air-lift as well as the continuation of the economic recession in North Atlantic economies were viewed by CDB as likely to depress tourism growth in the short-term.

The CDB report added: "An acceleration in economic growth in the BVI in the medium term will depend primarily on increased buoyancy in tourism and tight fiscal management.

"While existing accommodation and planned expansion of hotel plant are adequate to accommodate needed growth, it will be increasingly difficult to attract the additional tourists if competing lower-cost tourism destinations in the Caribbean continue to increase their shares in the water sports segment of the market.

"However, efforts to improve the quality of infrastructure and services, to develop additional tourist centres in islands outside Tortola, and to intensify marketing and improve services should help to resuscitate tourism.

"Planned expenditure to upgrade and expand social and economic infrastructure will result in a widening of the overall fiscal deficit and an increased dependence on external financing, unless measures are implemented, over the medium term, to increase fiscal savings.

"This will require the government to carefully consider various options to increase revenue, including a revision of the tax base for income and property taxes, and a reduction in the incidence of tax evasion. At the same time, strict discipline should be maintained to ensure the efficiency of public expenditures, the report said.

Montserrat

FL2005190892 Bridgetown CANA in English 1510 GMT 20 May 92

[Text] Plymouth, Montserrat, May 20, CANA—Montserrat's economic performance in 1991 was a reflection of what was happening around the region, with particularly tourism and construction activity in decline. This has been borne out in the statistics on the island's economy contained in the annual report of the Caribbean Development Bank (CDB) released here Wednesday.

While the report gave no precise figure as to the level of growth in gross domestic product achieved in 1991, it was estimated to have fallen from the 13.5 per cent growth of 1990. The decline in activity was associated, inter alia, with the adverse effects of the Gulf crisis at the beginning of the year, recession in the U.S., and the completion of post-hurricane reconstruction projects by the first half of 1991. Inflation increased slightly to 9 per cent in 1991 compared with 7 per cent in 1990.

Preliminary indications were that total visitor arrivals had fallen in 1991. An increase in stopover arrivals was more than offset by a decline in cruise ship visitors. The number of visitors to the island was curtailed by the Gulf war and the recessionary conditions in the major tourist markets, particularly the U.S.

The construction sector grew marginally with the tightening of commercial bank liquidity during 1991. Indications are that construction starts fell and the value of imported construction materials dropped. The lower level of private construction activity as well as the completion and winding down of several public sector projects contributed to a small increase in the unemployment level.

The performance of the agriculture sector remained strong in 1991. Production of vegetables, meat, and poultry continued to expand in response to strong domestic demand, attractive farm prices, and the increased usage of pesticides and fertilisers. Montserrat is currently self-sufficient in the production of eggs. However, fruits and vegetables are imported from Puerto Rico, St. Maarten, and Dominica to satisfy domestic demand.

CDB reported that commercial bank loans as well as settlements from insurance claims played an important role in financing economic activity in Montserrat, particularly the post-Hugo hurricane reconstruction efforts. Continuing the strong upward trend, loans increased 11.1 per cent in the first nine months of 1991 to reach U.S.36.3 million dollars. Most of this expansion facilitated an expansion in the banks' mortgage portfolio.

In contrast, deposits fell by 5.4 per cent to U.S.40.8 million dollars over the same period. Efforts by the commercial banks in the second half of the year to encourage deposits by raising interest rates did not have the desired effect. In addition, as liquidity conditions tightened, banks began to restrict credit, and this resulted in some customers drawing down deposits to meet commitments.

The government budgeted for a recurrent surplus of U.S.0.7 million dollars in 1991. The improvement was to be achieved mainly through a modest increase in revenue collections to U.S.15.1 million dollars. Expenditure was also budgeted to be contained at U.S.14.4 million dollars, a modest increase relative to expenditure in 1991 when government gave a sizeable wage increase to public servants.

The CDB report revealed that the government was hoping to re-establish the offshore financial services in Montserrat as a means of raising revenue, and recently passed legislation to ensure proper screening and tighter supervision of offshore companies.

The report projected modest growth for 1992 as the tourism sector continues to be adversely affected by the prolonged recession in the U.S. At the same time, and given plans to intensify overseas promotion in this area, Montserrat might be able to significantly increase arrivals from Europe. The report said such promotion should continue to market Montserrat as an exclusive destination, with emphasis on the retirees segment of the market.

"Based on existing revenue-generating measures, the slowdown in economic activity is likely to adversely affect fiscal performance unless the government exercises considerable restraint on expenditure growth and ensures that the revenue collection machinery operates efficiently," the CDB report concluded.

St Vincent and the Grenadines

FL2005193392 Bridgetown CANA in English 1626 GMT 20 May 92

[Text] Kingstown, St. Vincent, May 20, CANA—The economy of St. Vincent and the Grenadines grew in 1991 at less than half the rate achieved in the previous year, according to the annual report of the Caribbean Development Bank (CDB). Quoting preliminary data, the report said that the rate of growth of economic activity in the country during 1991 was about 3 per cent, compared with 6.6 per cent in 1990, mainly in response to a sharp decline in agricultural production as a result of drought during the year.

It added that the slowdown in economic activity, delays in reimbursements for externally funded projects, and unseasonably heavy rain which caused considerable damage to infrastructure in the final quarter of 1991 had put considerable pressure on public finances and reduced the level of the current account surplus.

Banana deliveries and exports, the main contributor to output and incomes, declined in 1991 because of drought conditions. Bananas delivered to the St. Vincent Banana Growers' Association fell 20 per cent from the 1990 level to about 64,000 tonnes, and earnings were estimated at U.S.33.3 million dollars, compared with U.S.42.2 million dollars in 1990. Drought conditions also contributed to a decline in the quality of fruit during the first half of the year.

Efforts continued during the year to discourage farmers from extending banana cultivation to marginal hillside land in order to limit soil erosion. Partial data indicated that there were marginal production increases in non-banana agriculture, to some extent reflecting the impact of the drought conditions on the foodcrop subsector, and part infrastructure development projects.

Residential construction activity slackened towards year-end, reportedly as a result of the reduction in export earnings during 1991, and the reluctance by commercial banks to expand their mortgage portfolios, given the uncertainty over bananas.

During 1991, central government finances were adversely affected by the reduction in banana exports, and by a decline in activities financed by banana earnings. Cash flow difficulties were not helped by delays in reimbursement of domestic expenditure on externally-financed public sector projects, and the authorities sought temporary accommodation from the ECCB [Eastern Caribbean Central Bank].

Additional pressure was placed on the public finances as a result of heavy rains which caused substantial damage to roads, water supply installations, transmission lines, and crops during November. During the closing months of the year, however, recovery in banana export quantities and higher than expected levels of company tax collections boosted central government's revenue collections. The expansion in revenue to U.S.59.2 million dollars compared with a budgeted level of U.S.57.7 million dollars contributed to a current account surplus of U.S.7.4 million dollars compared with a budgeted surplus of U.S.2.4 million dollars.

In order to assess rehabilitation requirements, the government announced that the budget presentation, originally scheduled for December, would be postponed to January 1992. Preliminary estimates placed damage to roads at U.S.3 million dollars.

Disbursed and outstanding public sector external debt amounted to U.S.42.4 million dollars at the end of September 1991, only marginally above the total at the end of December 1990. As in 1990, the public sector external debt was largely on concessional terms, and manageable, with estimated central government's external debt servicing in 1991 amounting to 3 per cent of estimated current revenues.

In December 1991, domestic prices, measured by the index of retail prices, were 2.3 per cent above prices in

December 1990. In comparison, prices rose by 9.1 per cent over the 12 months to December 1990. The sharp slowdown mainly reflected lower rates of increases in food and beverage prices compared with 1990's, and a decline in fuel prices.

In assessing prospects, the report declared: "Economic performance in St. Vincent and the Grenadines during 1992 will continue to reflect the fortunes of the banana industry. With the return of normal weather conditions, exports are expected to reach 85,000 tonnes.

"Efforts to encourage and boost non-banana agricultural production and exports are expected to continue through the ongoing land distribution programme, and continued investment in agricultural infrastructure.

"Tourist arrivals are expected to rise with the continuing effort being placed on promotion activities, including a new marketing programme directed at visitors from Europe and with the arrangements to improve air access, hoteliers in St. Vincent recognise the need to upgrade facilities in order to attract an increasing number of visitors, particularly in view of the development projects underway in the Grenadines.

"Construction activity will be sustained by the public sector investment programme, although slow rates of project implementation will continue to be a major constraint.

"The government has indicated that it intends to continue to exercise fiscal prudence. At the same time, the government plans to dedicate additional funds to the development of human resources in order to reduce the level of unemployment through the provision of skills, and to meet the needs of the developing tourism and manufacturing sectors."

* Presidential Adviser Cordoba Montoya Profiled

92CA0149A Mexico City PROCESO in Spanish
No 805, 6 Apr 92 pp 6-10

[Report by Carlos Acosta, Gerardo Galarza, and Rodrigo Vera]

[Text] In public he is a quiet, discreet man. He observes. He listens. He takes notes. But above all he watches. He speaks with whom he has to speak and is listened to by the president. His word carries weight.

Jose Maria Cordoba Montoya's office is next to President Carlos Salinas de Gortari's at the official residence of Los Pinos. His post was created on 7 December 1988 by presidential resolution: the Office of Coordination of the Presidency of the Republic.

Officially, Cordoba Montoya coordinates, advises, and supervises the activities of the Presidency of the Republic and keeps tabs on everything surrounding and emerging from it. His field of action is more than just broad; it is all-encompassing.

It ranges from advising the president; following up on presidential resolutions and orders; verifying the programs and instructions of the head of the Executive Branch; coordinating and following up on the resolutions of the specialized cabinets (economic, agricultural, social welfare, foreign policy, and national security); handling and responding to requests for audiences with the president; receiving complaints and reporting on them to the president; to preparing and coordinating the chief executive's domestic and international travels with the staff; coordinating and administering the personnel, funding, and materials assigned to the Presidency of the Republic; receiving, reviewing, and sending out the president's correspondence and that of officials attached to the Presidency; and keeping a written and filmed account of the activities of the government of the Republic.

Above all, however, he performs "any other functions that the head of the Federal Executive Branch expressly entrusts to him," according to Subsection XII of Article 2 of the resolution that created the office.

"Any other" includes everything. He is involved in both domestic and foreign policy, in economic and foreign-trade policy. He drafts bills to amend both the constitution and other laws, such as the Cofipe [Federal Code of Electoral Institutions and Procedures] law or the one that granted legal status to churches. He is involved in the negotiations of both the foreign debt and the Free Trade Agreement. He guides tax policy and promotes the downsizing of government. He is present at talks aimed at settling conflicts between groups and segments of society, as in the case of teachers and after elections. He is involved in "sounding out" and "signing off on" PRI [Institutional Revolutionary Party] candidates for popularly elected posts. He listens to businessmen, as when the Port of Veracruz was seized. He lobbies at home and abroad. He travels overseas as the president's advance man. He represents Mexico at international forums, such as in Davos, Switzerland. He supplants Foreign Secretary Fernando Solana, and his counterparts treat him accordingly. He receives opposition political leaders and is a privileged witness to almost all presidential activities.

His closeness to and influence with President Salinas de Gortari have earned him a reputation as "the eminence grise," "the mastermind," "the star in the shadows," and politically, the "supersecretary," although in the land of his forefathers he has been called the "vice president of Mexico." And that is what he is like: discreet and out of the spotlight in Mexico, a star overseas.

Although he is French by birth (La Ciotat, near Marseilles), Joseph Marie Cordoba Montoya's genealogical roots lie in Almeria, Spain, in the heart of Andalusia.

Just 28 days after Salinas de Gortari was sworn in as president of Mexico, the Spanish magazine INTERVIU (Issue 659) devoted a feature article to Cordoba Montoya entitled "From Almeria to the Vice Presidency of Mexico."

Jose Maria is the second child of Jose Cordoba Caparros and Dolores Montoya. The elder Cordoba, an attorney, was an official in the republican municipal government of Almeria. In 1939, after Franco had triumphed, he was arrested and remained imprisoned until 1945, when he was transferred to Gachas Coloradas prison in Almeria to be treated for trachoma [chronic conjunctivitis].

"Intelligent and cunning," as Miguel Naveros, the reporter for the Spanish publication described him, the elder Cordoba hatched an escape plan along with five other inmates and a guard. They broke out on 10 March 1945. The Civil Guard combed the Gador highlands and succeeded in capturing four of the seven escapees. Cordoba Caparros managed to avoid capture and made it to Catalonia, where he was reunited with his wife; from there they crossed into France. Jose Cordoba Montoya was born on 1 June 1950.

Like any other exile, even more so because he was not one of the major leaders of the Spanish Republic, Cordoba senior had to work very hard to provide for his family, although he said: "There was one thing that marked our stay there: a wife who fought like a lion to help her children, especially in their studies." Jose Maria, his older brother, Pedro, and his younger sister, Maria, were excellent students in grade school. The two brothers won first prizes in drawing back then. Perhaps for this reason Jose Maria first studied engineering at the Paris Polytechnic School, where he was involved in the events of 1968.

The brilliant and strange career of Joseph Marie Cordoba Montoya, his original name, began in the 1970's. According to his official curriculum vitae, from 1970 to 1973 he studied at the Polytechnic School in the French capital and during the very same years got a master's in philosophy at the Sorbonne in the same city.

From 1974 to 1977, he did his doctoral studies in economics at Stanford University in Palo Alto, California. Nevertheless, he retained his ties to France through Jacques Attali, an adviser to Francois Mitterrand, for whom he worked in the 1974 election, which Valery Giscard D'Estaing won. Whereas in 1974 he was studying in California and working in France, in 1977 while still a student at Stanford, he was teaching in the Economics Department of the University of Pennsylvania and serving as an adviser to the Agrarian Reform Ministry in Algeria.

Stanford University was Cordoba Montoya's bridge to Mexico. There he met Guillermo Ortiz Martinez, the current finance undersecretary, and Rogelio Gasca Neri, the new undersecretary of planning and budget of the Secretariat of Finance and Public Credit [SHCP]. Ortiz Martinez and Cordoba were roommates. They later wrote "Deflationary Aspects of the Devaluation of the Mexican Peso in 1976" when they were professors at the Colegio de Mexico.

From Pennsylvania, Cordoba traveled to Mexico as a visiting professor at the Colegio de Mexico. There he ran into professors and researchers Jaime Serra Puche, the current commerce secretary; Emilio Lozoya Thalmann, the director of ISSSTE [Institute of Social Security and Services for Government Workers]; Manuel Camacho Solis, the chief of the DDF [Federal District Department], and Otto Granados Roldan, who until last week was the presidential spokesman and is now the PRI candidate for governor of Aguascalientes (at the time he was a student at the academic institution founded by Daniel Cosio Villegas).

Pepe, as his colleagues now call him, became an adviser to Francisco Gil Diaz, the then director of revenues in the SHCP and a current undersecretary there. In 1980 he moved over to the Secretariat of Planning and Budget [SPP] as director of regional planning, while Carlos Salinas de Gortari was director of economic and social policy in the secretariat with Camacho Solis as his adviser. He worked as a PRI adviser that year and has appeared in the biographical dictionaries of the Mexican Government as a member of the ruling party since then, a clear violation of the General Constitution of the Republic because he remained a French citizen.

Twice (1982-83 and 1985-87) he served as director of economic and social policy of the SPP, a post of vital and strategic importance to the country's economy and the same one that Salinas de Gortari had held. His job: "To do an economic and social assessment of the country so as to propose development policy options" and "to analyze the economic and social priorities of development policy." It marked the beginning of his power, and to consolidate it he decided to become a Mexican citizen. Availing himself of his connections, Cordoba Montoya became a naturalized citizen quickly (without even securing immigrant or permanent-resident status beforehand), and his status was made official on 10 May 1985. Here in Mexico, he married Sofia Urrutia Lazo, the daughter of architect Oscar Urrutia, the former head of the Plastic Arts Directorate of the INBA [National Fine Arts Institute] and the current director of cultural activities of the Mexican Pavilion at the 1992 Seville World's Fair, and of writer Elena Urrutia (Maria Elena Lazo), the coordinator of the Interdisciplinary Program of Women's Studies at the Colegio de Mexico.

Battling Tello Macias

Already a trusted confidant of Salinas de Gortari, Cordoba Montoya entered the limelight in 1986. His task was to respond, in a front-page article in EXCELSIOR, to the criticisms that Carlos Tello Macias had leveled at Miguel de la Madrid's economic policy. Thoroughly familiar with the new governing team's way of thinking and acting, Cordoba lashed out at the former secretary of planning and budget, accusing him of being nostalgic for the economic growth fueled by the oil boom, which according to his article merely caused disruptions in the economy and heavy foreign indebtedness, "$22 billion, more than the cumulative debt from 1810 to 1970." As president, Salinas de Gortari quoted that phrase almost verbatim when he completed the rescheduling of the foreign debt in July 1989.

On 8 June 1987 he had a long, front-page article published in LA JORNADA belittling the views that Ifigenia Martinez, a reputable economist who was influential in previous PRI administrations, had expressed a few days before about De la Madrid's economic program. He stated simply that the judgments of the former director of the Economics Department at UNAM [National Autonomous University of Mexico] were primitive, obsolete, and decadent. "As far as Ms. Martinez is concerned, the sun seemingly still revolves around the earth," he said in summary.

A few days later Cordoba Montoya again made the front page of EXCELSIOR, reaffirming his responses to the ongoing criticisms of economic policy by members of PRI's Democratic Current, who some months later left the party and launched Cardenas Cuauhtemoc's candidacy for president of the Republic. He then began praising the economic policy that the current administration has intensified.

He became a major power when his boss and friend was "unveiled" as PRI's candidate for president of the Republic. Cordoba Montoya was immediately named a special adviser to Carlos Salinas de Gortari. And he has expanded his power ever since.

In spite of his personal discretion, Cordoba Montoya's activities as the man closest to Salinas de Gortari make him noteworthy, more because of what he is asked to do than because of what he says. He has always tried to avoid the spotlight and could be said to have an aversion to the press, in contrast to all other Mexican politicians. But his overseas trips have given him visibility.

Mission in Washington

In April 1988, he and Manuel Camacho traveled to the United States to meet on behalf of the PRI presidential candidate with two of the men who were vying for the U.S. presidency: Republican George Bush, the then vice president, and Democrat Michael Dukakis, the governor of Massachusetts, and with New Jersey Democratic Senator Bill Bradley, who was interested in Mexico's foreign debt. Cordoba Montoya also traveled to Europe to meet with businessmen in a bid to attract investment and get Mexico's European creditor banks to show more flexibility.

After 6 July 1988, he traveled again to the United States to meet once more with Bush, who was then the Republican candidate. In an address to the Association of Newspaper Publishers, Bush spoke for the first time about free trade with Mexico and hinted at the possibility of an agreement in this field. "We have already spoken with people from Mr. Salinas's team to strengthen and broaden our political, economic, and commercial ties," Bush said. Salinas's envoy was thus the architect of the November 1988 meeting between the two presidents-elect, a meeting known as the "Spirit of Houston," at which the principles of a new bilateral agenda were laid down.

"Since then the White House has seen Mr. Cordoba as an extension of President Salinas. More than a foreign secretary or an ambassador, he is his personal representative. We know that when Mr. Cordoba comes to Washington, it is because the matter is of particular interest to President Salinas," a Bush administration official told correspondent Carlos Puig.

The U.S. Government and press know this, so much so that the chief of the Office of Coordination of the Presidency of the Republic has often taken over the functions of Foreign Secretary Fernando Solana, especially when issues relating to the Free Trade Agreement [FTA] are involved.

His involvement in Mexican foreign policy began when then President-elect Salinas de Gortari named him his personal representative at the ceremony in Havana at which Miguel de la Madrid's government awarded the Order of the Aztec Eagle to Cuban President Fidel Castro, who some days later attended the inauguration of Mexico's new president. Now he is always by the president's side in the National Palace whenever new foreign ambassadors present their credentials to the Mexican Government.

His good contacts with European Social Democracy have helped Salinas de Gortari to build better relations with governments on the continent. He was the only person who was with Salinas de Gortari during his meeting with Spanish Prime Minister Felipe Gonzalez.

Late last January, Cordoba Montoya headed the Mexican delegation to the World Economic Forum in Davos, Switzerland, where Salinas de Gortari was the keynote speaker in 1990. A few days ago he was invited to Paris, France, to take part in a symposium on "the challenges to international economic cooperation" that the Organization for Economic Cooperation and Development held to commemorate its 30th anniversary. Cordoba Montoya had unofficially begun efforts to make Mexico a member of the select club of developed countries. Before heading for Paris, Cordoba Montoya was in Washington on 14 and 15 March and personally headed the FTA negotiations on energy.

He is involved in more than just foreign policy, though. He also serves as a sort of supervisor of the foreign debt.

Mexico rescheduled its foreign debt in New York in June 1989 with representatives of more than 500 banks from all over the world. Angel Gurria headed the Mexican negotiators.

On 20 June of that year Mexico was supposed to make a large interest payment. The negotiating group had set 16 June as a deadline for itself to reach an agreement with creditors, who were being inflexible. The deadline came and went, and the disagreements continued. Pedro Aspe and Gurria threatened to suspend interest payments until there was an agreement. The negotiations bogged down. Cordoba Montoya then flew to New York to correct and monitor the course of the negotiations until an agreement was reached late that month. In view of the conflict among Mexico's negotiators, the British news agency REUTERS reported that "Jose Cordoba, one of President Salinas' closest advisers, is against suspending payments and may be given authority over the negotiations instead of Aspe."

Whereas Cordoba Montoya is playing a prominent, even high-profile, role outside the country as the president's chief messenger, inside he tries to go unnoticed. He tries to keep out of sight at public ceremonies; he accompanies the president on few of his tours of the states, and when he does, he appears solemn, stern, reserved, and aloof. When he is not alone, he prefers the company of Pedro Aspe, Jaime Serra Puche, or people "from home" like, until last week, Otto Granados. "In a word," said Granados, "Dr. Cordoba is very likable." His rare laughs in public are much sought after by photographers. At times he can be seen dining with cabinet secretaries or prominent members of the Salinas team at exclusive restaurants.

Cordoba Montoya also attends closed-door meetings designed to resolve matters of public or government interest, such as the negotiations between the SNTE [National Trade Union of Education Workers] and the SEP [Secretariat of Public Education] or the time in Veracruz when he arrived for a private dinner with top businessmen there and asked them: "So how do you feel about operations at the port?" The businessmen started talking. Cordoba Montoya said nothing more, merely noting down what he was hearing. A few days later President Salinas de Gortari announced the takeover and overhaul of the port.

Issue: the Church

Above all, however, he takes refuge in the solitude of his office, an office that by President Salinas's decision is almost an extension of his own. Many major national decisions are made there. For example, one of the bills to reform Articles 3, 5, 24, 27, and 130 of the Constitution was drafted there; this attempt to "modernize" relations between Church and State turned out in practice to be a recognition of the legal status of churches.

The bishop of Cuernavaca, Luis Reynoso Cervantes, the spokesman of the Mexican Episcopate, confirmed that three different bills on this issue were analyzed: one from the Interior Secretariat, one from Manuel Camacho Solis, and the one from Cordoba's office, which was laid claim to publicly by PRI's 21st Century Foundation, run by Mariano Palacios Alcocer.

The people in the know say that his office is where the lists of PRI candidates for popularly elected posts are "signed off on." And in spite of Cordoba Montoya's desire to be discreet, his presence in Hermosillo, Sonora, did not go unnoticed when he met privately with Sonora businessmen, state government officials, and Sonora politicians a day before Manlio Fabio Beltrones was "unveiled" as the candidate for governor of the state. The same thing happened in Veracruz, in the midst of the carnival, when political passions over the succession got out of hand.

Another bill that came out of the Office of Coordination of the Presidency of the Republic was the one pertaining to Cofipe. It was negotiated with the National Action Party [PAN], which some months before had helped President Salinas de Gortari to achieve the congressional majority he needed to amend the constitution's electoral provisions.

Representing PRI at the negotiations was then deputy and now senator Jose Luis Lamadrid; representing PAN was Deputy Juan Miguel Alcantara Soria, who is today the Guanajuato state attorney. Cordoba Montoya attended many, if not all of these meetings. As always, he never opened his mouth; he merely observed and took notes. But his presence and involvement were obvious when the PAN members were not there. "Lamadrid even confirmed this, and moreover how do we know whether the cards that Lamadrid read us were his or were sent to him by Cordoba Montoya?" says Alcantara Soria, who recalls the presidential adviser's face as being "inscrutable."

Cordoba Montoya recently received a group of PRD [Party of the Democratic Revolution] deputies to brief them on the new agrarian legislation. But among the opposition, he has been most often in contact with PAN. Cordoba Montoya has attended several of the meetings that the national leadership of PAN has had with President Salinas de Gortari.

Diego Fernandez de Cevallos, the coordinator of the PAN congressional group, says that his dealings with Cordoba Montoya have been cordial and respectful. He adds that this does not prevent him from expressing his views on the public activities of the presidential adviser, noting that the opinions he voices on "someone so controversial will not bring me any gain."

He describes him as an "intellectually honest person who is consistent with what he believes and, to me, seems very well prepared." He thinks that he has power because of his closeness to and influence with the president and that he is "talented, skillful, and clever, based on the little that I have dealt with him. I do not think that he is an ordinary politician. He is not the traditional politician who says yes sir, yes sir." He states categorically that when he has spoken with him, he has never discussed electoral issues.

"When we have gone to see the president and he is with him, he only watches. I do not know whether he listens; he watches," Fernandez de Cevallos says.

"Does he talk?"

"He watches." [Box p 7]

Ph.D. Issue

Washington, D.C.—His subordinates, the officials in other agencies, and the politicians close to the administration all call him doctor, even though Jose Maria Cordoba Montoya has not received his doctorate in economics from Stanford University.

And according to recent statements by the dean of the university's Economics Department, Cordoba seems "neither interested in nor intent on taking the necessary steps to receive his doctorate in economics."

Gavin Wright, the head of the department in which Cordoba studied, told this correspondent in San Francisco: "Even after he called us two years ago and asked us to enable him to complete the Ph.D. that he began in the 1970's, he never followed up on it."

Even though he does not officially have a doctorate, Cordoba seems content to merely be called doctor, inasmuch as he insisted on including the Ph.D. that he never received in his curriculum in the 1990 and 1991 editions of the "Biographical Dictionary of the Mexican Government."

In October 1989 PROCESO discovered that Cordoba's official curriculum misstated the presidential adviser's true academic accomplishments.

The discreet engineer, who was born in France, immediately asked Stanford University, and specifically his thesis adviser, Mordecai Kurz, to write a letter explaining his academic status. Otto Granados, then the presidential spokesman, sent a copy to PROCESO. In an interview with this weekly Kurz stated: "Officially Jose Cordoba has not completed his doctoral studies and, therefore, has not received his Ph.D. from Stanford."

Cordoba did two things. In Mexico he met with foreign correspondents, to whom he explained that it was not his fault; rather, there had been an error in his particulars when they were sent to the "Dictionary" because someone on his team had not been precise. He added: "You know how things are here in Mexico. Everybody calls himself licenciado; everybody calls me doctor."

Cordoba insisted that the only thing lacking was an administrative formality. The press conference ended abruptly when the correspondents cited an article in THE GUARDIAN of England, which said that some Mexican politicians were calling him the "new Maximilian." "Who calls me that? Give me names!" Cordoba demanded of the silent newsmen.

He later visited Stanford. He spoke with his thesis advisers and university officials, who set up a new thesis review committee and gave him until 16 March 1990 to submit an updated version. At that point Cordoba requested another extension "because I am a very busy man." He was given one year.

But Professors Steve Dorlorf, Mordecai Kurz, and John Litwack, the members of the review committee, are still waiting for Cordoba and his thesis (PROCESO 700).

The situation is the same as two years ago. Dean Wright says: "There is no doubt that Cordoba was a good student and that he did substantial work on his thesis, but the work is not complete." According to Wright, the award of his doctorate "does not depend solely now on administrative or financial formalities but on completing unfinished academic work."

The dean of the Economics Department at Stanford has no doubts: "If you ask anyone in the graduate office at this university whether Jose Cordoba has fulfilled the requirements for receiving a doctorate in economics, the answer will be no."

El Salvador

Peace Commission Condemns Attack on Flores

PA2105162792 San Salvador Canal Doce Television in Spanish 0300 GMT 21 May 92

[Text] On 20 May the National Commission for the Consolidation of Peace [Copaz] condemned the attack against Vladimir Flores, a militant of the Farabundo Marti National Liberation Front [FMLN], and announced it will meet on 22 May with President Alfredo Cristiani to demand a thorough investigation of the case.

Copaz met on 20 May and decided to condemn the attack against FMLN member Vladimir Flores and to hold an emergency meeting on 22 May with President Cristiani to demand an investigation. Copaz feels this is necessary if the agreements are to be implemented.

[Begin recording, Deputy Gloria Salguero Gross] We, Copaz, as a group have decided to take action. We will meet with the president of the Republic at 1530 on 22 May. We feel the president has shown goodwill in meeting with us promptly, as we know he is a very busy man.

We are going to demand a thorough investigation. We will issue a statement rejecting this act of violence and demand all citizens do likewise. [end recording]

On behalf of Copaz, Gloria Salguero Gross asked the FMLN to rejoin that organization. If it does not, she said, the verification organization's work will be practically impossible, as the FMLN is a party to the peace agreement.

[Begin Salguero Gross recording] We urge the FMLN to rejoin Copaz as soon as possible. We feel it is an important party. We need them to attend the Copaz meeting, and we will not allow such actions to hinder the peace process. As Copaz, we will try by all available means to ensure that such things do not happen. [end recording]

Peace can only be attained if we save the peace process, said Gloria Salguero Gross, who said the people do not want more violence. She asked all groups in the country to reject all acts of violence, which do not contribute at all to attaining peace in El Salvador.

FMLN Political Leader on Main Tasks of Party

PA2205035492 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 19 May 92

[Text] The FMLN [Farabundo Marti National Liberation Front] has announced its plans following legalization as a political party. It will introduce its party in all 14 departments of the country. Juan Ramon Medrano, leader of the new political party, said that the party's participation in the next elections will be very important, and that the party's main goal in 1994 will be to form a government with broad participation.

[Begin Medrano recording] We are sure that [words indistinct] because as we have said on other occasions, we are going to be much more than a political party. It will be the main factor for generating the conditions that will bring democracy to our country for the first time. All of this will depend on the implementation of the agreements.

We want to show that in El Salvador we can carry out political objectives throughout the nation while struggling for the majority's interests, as well as solve the serious social problems afflicting public health, education, and housing. We must also fight for the nation's development. [end recording]

Gerson Martinez said the party will have three main tasks:

[Begin Martinez recording] This party has three main tasks ahead:

1. To guarantee the democratic changes that have resulted from the people's war.

2. To guarantee progress toward a democratic government in 1994, in which the FMLN does not pursue [words indistinct] totally the government, but rather to fight for a government in which it will have representation in 1994.

3. To turn the FMLN into one of the strongest political forces in the country. Obviously, the FMLN is already the political force with the greatest authority in the country, but we also want to become one of the most important parties. [end recording]

The FMLN has presented a plan for its registration as a political party. A special amendment will be needed in the electoral law; it presently states that no political party can be named after a deceased person. The FMLN announced it has 200 committees in the 14 departments, including the demilitarized areas.

The FMLN leaders also did not rule out the possibility of joining other political parties, such as the Democratic Convergence, the National Democratic Union, or the National Revolutionary Movement.

During the news conference, they condemned the attack and bullet wounds inflicted on 19 May on a young man who, according to Gerson Martinez, belongs to the personal security contingent of one of the FMLN Surveillance Committee's leaders. Martinez said the young man is in delicate condition at a private hospital. He added that investigations are underway in coordination with the UN Observers for El Salvador commission members.

Guatemala

Serrrano Rules Out Possibility of Army Coup

PA2105152292 Guatemala City LA HORA in Spanish 20 May 92 p 4

[Text] Engineer Jorge Antonio Serrano Elias, constitutional president of the Republic, said in a news conference that there is absolutely no possibility a military coup will occur in Guatemala, as rumored by certain frustrated Guatemalans who dream about achieving power through that undemocratic mechanism.

The president, who asked journalists and the media not to heed rumors spread by two or three persons, said, as commanding general of the national Army, he guarantees that there is absolutely no reason why anyone should even try to stage a coup d'etat in the country.

The president's somewhat harsh reaction was prompted by a series of questions from reporters who cover events at the National Palace.

"Do not implicate my Army in this," said the president, who is commander general of the country's Armed Forces according to the Constitution.

Serrano Elias said he can fully guarantee there will be absolutely no coup d'etat because there is no trouble within the Armed Forces, which are now more determined than ever to achieve total peace and democracy.

"I personally ask you, the national media, to stop speculating about it because the Army does not endorse coups, which is what bad Guatemalans have tried to insinuate. These Guatemalans feel frustrated and dream about quickly achieving power through a coup d'etat," the president stated, warning that these frustrated politicians and Guatemalans will have to keep on dreaming about achieving power because the Army is loyal to the country's democracy and peace.

The president said that "his Army" should not be placed in a compromising position by the detestable intentions of a few bad Guatemalans who seek to spread lies.

Honduras

FPM Claims Credit for Power Plant Attack

PA2105190392 Tegucigalpa Radio America in Spanish 0418 GMT 21 May 92

[Communique issued by the Morazanist Patriotic Front National Command; place, date not given]

[Text] The Morazanist Patriotic Front [FPM] communicates the following information to its active members and especially to the Honduran people:

On 19 May the Hector Hernandez Urban Command carried out sabotage operations against ENEE [National Enterprise for Electric Power] facilities in Tegucigalpa's Nueva (Juyapa) Colony. That patriotic act was aimed at repudiating the National Congress' cynical attitude in trying to make us believe that it ignored the ENEE's inhumane and un-Christian rate increases, when we all know that those increases are the product of the Congress' subservient attitude regarding the international financial institutions.

We would also like to repudiate the servility and unpatriotic attitude that President Callejas shows with regard to the situation of peasants in Honduras when he tries to deny them the natural and legitimate right to obtain land. We would like to emphasize that President Callejas' immoral behavior in trying to make consumers pay for the fuel increase is unacceptable because he did not lower prices for the consumer when fuel prices went down.

Finally, through our action we condemn the present government and we demand its resignation. Through its unconditional surrender to those organizations dedicated to international exploitation, the government has plunged the Honduran people into the most dismal situation in the country's history.

We will fight for life until the end. Either everyone is prosperous or no one is. [Signed] FPM National Command

Nicaragua

Subject of U.S. Aid, Articles Spark Controversy

Krugger News Conference

PA2105173692 Managua Radio Nicaragua Network in Spanish 0230 GMT 20 May 92

[News conference by Foreign Cooperation Minister Erwin Krugger in Managua on 19 May—recorded]

[Text] We have convened this news conference mainly because of two articles that have been published by influential U.S. newspapers over the past few days. We believe that in one way or another the articles are already hurting the cooperation that the United States is providing Nicaragua. The principal damage caused up to now is damage to the country's image; however, we do not rule out the possibility that this type of biased and, in some cases, false information could create a bad image for Nicaragua and could adversely affect the cooperation programs that have already been implemented. This type of information could adversely affect U.S. cooperation in the future as well.

We are specifically referring to the article published in THE WALL STREET JOURNAL by Mr. Aroldo Montealegre, but most importantly, the article published by Mrs. Jeane Kirkpatrick in THE WASHINGTON POST, in which she cites as one of her main sources Engineer Alfredo Cesar, president of the National Assembly, which means he is president of one of the branches of government.

In the aforementioned article, Mrs. Kirkpatrick points out that Engineer Alfredo Cesar told her that U.S. aid was increasingly being used to finance Sandinist organizations.

I want to tell you that this is absolutely false. As foreign cooperation minister, it is my duty to approve the AID [Inter- American Development Agency] programs in Nicaragua and we have never signed any program intended to help out a political organization. Cooperation for development is directed at contributing to the solution of the huge economic and social problems inherited by the current government. Cooperation for development, technical as well as financial, is the result of the understanding and goodwill of the countries that are friends of Nicaragua, which are aware of the dramatic moments experienced by this country in its current history. They have come to support the reconciliation policies being announced by our president, Mrs. Violeta Chamorro, since she took office.

After reading this article, after reviewing the impact this article is having in important U.S. circles, and after gathering the necessary information, I immediately informed President Chamorro about the danger of this information and the damage to Nicaragua's image. I also told her about the potential negative affect on cooperation the United States has with Nicaragua.

The economic cabinet was also informed, and it is also deeply disturbed about the harm these accusations can cause. On 20 May I sent a letter to Mrs. Kirkpatrick denying the report she received. Also on 20 May, we sent an article to be published in THE WASHINGTON POST to explain the information printed in the United States, which is causing us harm. In addition, we have sent letters to state agencies, banks in particular, to ask if—as she stated—bank boards, which are appointed by this government and mostly or largely consist of businessmen, approve loans based on partisan political views. I am certain that is not so.

It is truly painful, if the information that Mrs. Kirkpatrick reported, which she said was given to her by Assembly President Alfredo Cesar.... [pauses] It is truly painful to see what is happening. We must act with total seriousness in this matter. It is painful for many reasons. If what Mrs. Kirkpatrick says in her article, if what Mr. Cesar told her, is not true, in other words, if the words she has drawn from Mr. Cesar are not true, then Mrs. Kirkpatrick is lying. She is lying and harming the people of Nicaragua. She is giving a bad image to all our efforts in this country to achieve reconciliation following a very painful war, in which all of us suffered.

I am going to read verbatim what the article says. I am going to repeat what she says in her article, where it states: Engineer Cesar told me, Assembly President Alfredo Cesar told me, and she quoted: U.S. aid is increasingly financing Sandinist organizations. As foreign cooperation minister, I am very sorry to say that is not true. It is false. The other possibility is that Engineer Cesar indeed told Dr. Ballantyne [as heard] what she quoted in her article. In that case, Cesar is responsible for her remarks. He is responsible because this kind of information mars Nicaragua's image. It is not going to mar the government. If this affects aid, the government is not going to be affected by it, but the people of Nicaragua will be. If that happens and the aid is affected, small-scale farmers who would lack sufficient credit to produce would be affected; health programs we are launching with that aid would be affected; people who need medicine would be affected; people who benefit from the education programs will be affected; in sum, the country's children will be affected. Moreover, it will also affect large-scale businessmen. If aid is affected, if we do not get those funds, if the aid is delayed, it would affect the companies of many Nicaraguan businessmen who have worked arduously because they believe in the reconciliation program and have taken risks and invested their own money to try to build a new Nicaragua amid peace, where confrontation is a thing of the past. They too would be affected.

We consider this article extremely serious. If, as I said, Mrs. Kirkpatrick's statement is true—and she published it in THE WASHINGTON POST, a politically influential newspaper in the United States—if what Mrs. Kirkpatrick wrote is true, then Cesar is responsible for her remarks. I would here pose a question to all the members of the National Assembly, those who elected him National Assembly president: Is this responsible leadership? Is this the kind of leaders Nicaragua wants to have?

We at the Foreign Cooperation Ministry work day and night, in and out of Nicaragua, to ensure that the political goodwill Mrs. Violeta Barrios de Chamorro has garnered during her trips abroad to seek aid for Nicaragua becomes a reality that benefits all Nicaraguans without political distinctions. That aid would be affected. That is why it pains us to have to deny what has been said. That is why it pains us to have to call on the country's political leaders to think things through. We want them to realize that although they have political ambitions, and all of them are entitled to have them, there is a civilized way to express them without harming Nicaragua's interests.

I personally become furious when these things happen. I am also saddened because we are trying to build a democratic country, a different country, with a political culture that is different from the one we inherited. If the article does say those things, allow me to say: That is not the way to gain political points; it is not done by harming the people. The members of the economic team work arduously to make good use of that aid. The entire government works, and even the National Assembly members work toward that effect. The deputies asked me for a report, which I submitted to them. The Foreign Relations Commission reviewed that report. All the National Assembly members received that report. The full Assembly approved the report. It listed all foreign cooperation, including that of the United States. One can see there that neither the Foreign Cooperation Ministry

nor any country is approving or asking that programs for partisan political organizations be approved. U.S. officials have never done that. They have never authorized it. Aid for development is never meant for partisan political organizations, it is meant for the people.

Possible Loan Suspension

PA2105162092 Managua Radio Corporacion in Spanish 2200 GMT 20 May 92

[Text] National Assembly President Alfredo Cesar said during a news conference on 20 May that U.S. Government loans, authorized by Congress for the Nicaraguan Government, could be suspended. The legislative branch president said the UNO [National Opposition Union] government presided over by President Violeta Chamorro will forgive the 800 million cordobas owed by delinquent businessmen who failed to repay the central government financing. Cesar said the executive branch should reveal the names of those businessmen who owe the government, because they must surely be Sandinists, adding that the same thing was done during Daniel Ortega Saavedra's Administration, which forgave their debts.

Alfredo Cesar said the danger of a suspension of the U.S. loans was revealed in a letter from the U.S. Congress to Engineer Antonio Lacayo Oyanguren. The letter said the financial aid cannot be continued because of the joint agreement that prevails with the Ortega brothers, Daniel and Humberto.

[Begin recording] [Cesar, broadcast in progress] ....mainly the statements given on 19 May by Minister Erwin Krugger. I want to say I fully agree with Minister Krugger's views that U.S. aid to Nicaragua is in danger. I fully agree with his views. I mentioned it in several public statements I have made since January, four months ago. That includes news conferences at the National Assembly and interviews with several media.

I might say there is more to this. U.S. aid to Nicaragua is not only in danger—it is practically on the verge of suspension. I agree fully with his views and this is obviously the problem, meaning the government's claim that my views about the aid—stated in an article by Mrs. Kirkpatrick, who is a prestigious columnist in the United States and who quoted me correctly—may be the reason for the suspension [words indistinct]. How can a government say an article may endanger aid? The aid is about to be suspended, and the government is the culprit.

[Reporter] Are you guilty?

[Cesar] The government is the only culprit. We have been saying that for four months.

[Reporter] But you stated....

[Cesar, interrupting] When Secretary of State Baker visited the country in January he also mentioned it. The problem is that the government has turned a deaf ear to the warnings. We have heard many opinions, not just mine. I mean the opinions of other political leaders. In fact, Cardinal Miguel Obando y Bravo has made statements or mentioned the issue in his homilies. He said all the acts of anarchy in the country, and the lack of order and production in the country, could jeopardize aid to Nicaragua. The government is the culprit concerning the imminent suspension by the United States. It is the culprit because, simply put, it made pledges to the United States and failed to fulfill them.

[Reporter] For example?

[Cesar] You would be naive to think you can fail to meet commitments made to a nation like the United States. It cannot be done. Pledges must obviously be fulfilled, particularly in a world where every effort is made to enforce serious rules. [end recording]

More on Cesar Comments

PA2205142692 Managua BARRICADA in Spanish 21 May 92 pp 1, 12

[Text] National Assembly President Alfredo Cesar responded in an unusually virulent manner to the government's charges against him concerning statements made by Jeane Kirkpatrick of the United States. Cesar asserted that U.S. economic aid to Nicaragua "was not only at risk...but was about to be suspended, and this was to be blamed entirely on the government" of President Violeta Chamorro.

According to Cesar, Washington is "worried" because of what he called the "co-government with the Ortega brothers" and because President Chamorro has not kept her "commitments" with the U.S. Government. Cesar refused to reveal the nature of these commitments.

Cesar even said that several U.S. aid disbursements, which were approved by Washington, had already "been withheld." This assertion was later denied by the U.S. Embassy in Managua.

The sharp remarks issued by the usually courteous Alfredo Cesar—he reached the point of describing Antonio Lacayo, who is his brother-in-law and Presidency minister, as one of "Ortega's employees—were made in the National Assembly corridors on 20 May. Cesar, thus, responded to Foreign Cooperation Minister Erwin Krugger's 19 May charges against him.

Minister Krugger charged that Cesar had endangered U.S. aid to Nicaragua because he told Jeane Kirkpatrick, a former U.S. diplomat and influential newspaper columnist, that government banks were diverting U.S. funds to "Sandinist organizations."

On 19 May, Krugger denied Cesar's assertions, which were cited by Kirkpatrick in a WASHINGTON POST article a few days ago. Sandinist bloc leader Sergio Ramirez did likewise on 20 May. Ramirez added that the National Assembly president's statements were "negative and reprehensible" because they endangered the international aid the country is to receive.

Cesar admitted he had made the statements published by Kirkpatrick. He also acknowledged it was "legal" for the banks to give loans to Sandinist businessmen "as long as they paid their debts." Cesar, however, added that the banks plan to cancel debts amounting to 800 million cordobas. He said "the cancellation of these debts has to be investigated to see who will benefit."

Finally, the always controversial National Assembly president, revealed that Antonio Lacayo had received a letter signed by 24 U.S. congressmen last week. The letter supposedly cautioned the government to "correct its direction" in order to avoid the suspension of aid. "Why has the government not revealed this letter?" Cesar asked, with a hint of malice.

Asked by BARRICADA, Janet Ballantyne, AID director in Nicaragua, declared: "We cannot say there is a retention of funds. A few congressmen have expressed doubts, and we will answer them as soon as we know what they are," she added.

Ballantyne explained that the U.S. Congress has to check and authorize each disbursement for new AID programs prior to their issuance. She said the process normally takes 20 days, and funds are disbursed automatically after the first disbursement.

This case—she stated—refers to $1 million for the balance of payments support program. Ballantyne said she will travel to Washington next week and will answer the congressmen's questions during her visit.

Asked if the congressmen's questions are political or technical, she repeated: "I do not know the nature of the questions or the names of the congressmen who have posed them."

However, she said these questions "are not unusual...in my experience, I have seen this happen in other countries too." She added that in the two years she has been AID director in Nicaragua, "an allotment had been delayed once before" but the matter was resolved.

"I am not too concerned," the AID director said and added that the deadline to authorize funds is approximately at the end of the month.

In regard to Alfredo Cesar's assertion that Nicaragua is not complying with its alleged commitments with the United States, Ballantyne chose not to comment because "I have not heard these statements." She what she could say was that "the U.S. Government has the will to continue to support Nicaragua."

Ballantyne reported that U.S. press attache Tomas Meza will issue a detailed report on the situation in the next hours.

Lacayo on Aid

PA2105225092 Managua Radio Sandino in Spanish 1830 GMT 21 May 92

[Text] Dr. Danilo Lacayo, Presidency director of information and press, reiterated on 21 May that the U.S. Government has not officially announced withdrawal of economic aid to Nicaragua, despite statements made to that effect on 20 May by National Assembly President Alfredo Cesar. Lacayo stressed that those most affected by such a decision would be small and mid-sized producers, as well as workers in general.

[Begin Dr. Danilo Lacayo recording] As reporters, you know very well that there is no official report from any U.S. institution or international organization concerning the suspension of aid to Nicaragua.

I would like to take this opportunity to remind the Nicaraguan people and the international community that Nicaraguans are experiencing difficult times as we struggle to progress. To promote aid suspension to Nicaragua is to endorse poverty for the population, a shortage of schools, and job shortages. This should not be allowed.

I think that we must be very careful; we cannot trifle with Nicaragua's future. [end recording]

Libyan Ambassador on Nicaragua Heeding Embargo

PA2005225492 Managua Radio Sandino in Spanish 1830 GMT 20 May 92

[Text] Libyan Ambassador to Nicaragua 'Abdallah Ma'tuq reiterated on 20 May that, in spite of the Nicaraguan Government's decision to expel a Libyan diplomat from Nicaragua, Colonel al-Qadhdhafi's government will not adopt economic measures against Nicaragua.

Ambassador Ma'tuq also urged the United Nations to impose similar sanctions on the countries that covered up other airspace piracy and terrorism actions. Such is the case of the two Cuban citizens who were protected by the United States after blowing up a Cuban Airlines plane in 1976.

According to the Libyan diplomat, the UNO's [National Opposition Union] action was an arbitrary measure of pressure, despite Libya's efforts to collaborate in solving the case of the bombing of the Pan Am airplane.

Chamorro Swears In New Deputy Ministers

PA2105150192 Managua BARRICADA in Spanish 19 May 92 p10

[Report by Maria Alicia Talavera]

[Text] On 18 May, President Violeta Chamorro appointed Jose Boanerges Matus new director of the INRA [National Institute of Agrarian Reform]. She also named four deputy ministers, including Professor Jose

Joaquin Lovo in the Government Ministry and Alfonso Deshon in the Economy Ministry.

During a brief ceremony held at the Presidency to swear them in, Chamorro presented Roberto Guzman Vasquez (Nicaraguan Socialist Party, PSN, leader), INRA's new deputy director, and Gustavo Adolfo Martinez Montoya, the Nicaraguan Aqueducts and Sewage Institute's new deputy director.

Matus, a former adviser to the Nicaraguan Resistance, was formerly INRA's deputy director. Effective 18 May, he replaced Dr. Gustavo Tablada, PSN president, who will now take his seat in the National Assembly.

Guzman Vasquez, also a PSN leader, replaces Matus as INRA deputy director. For the past few months he has been working as Tablada's adviser at the INRA.

Matus said that "an agreement must be reached with Nicaragua's peasants" as a way to promote rural stability.

Professor Jose Joaquin Lovo will assume the post of deputy government minister, a position left vacant by Alfredo Mendieta who became government minister in April following the "resignation" of Carlos Hurtado.

After taking his oath, Lovo said that his responsibilities were not yet defined. He said "a complete review" has been made of the more than 30 agreements the ministry made with various social groups. But, he added, a specific date to comply with the agreements cannot be given because "it is a process that must include they who demanded it."

* Daniel Ortega on Neoliberalism, Socialism

92CA0150A Santiago LA NACION in Spanish 22 Apr 92 p 26

[Interview with FSLN Secretary General Daniel Ortega by Hernan Carvallo, in Managua; date not given. First two paragraphs are LA NACION introduction.]

[Text] One of his last international acts as president of Nicaragua was to represent his country at Patricio Aylwin's inauguration in Chile. A short time later, he was to turn over the presidential sash to Violeta Chamorro.

Too many events have taken place in the world since that time, many of them affecting Daniel Ortega, who was first a legendary Sandinist guerrilla and then president of Nicaragua. At his office in Managua—a veritable fortress—Daniel Ortega spoke with LA NACION about economic neoliberalism, Latin American integration, and the viability of Marxism.

[Carvallo] The Sandinist National Liberation Front [FSLN] no longer questions private property or the application of models in which the laws of the market are incorporated.

[Ortega] When we talked about a mixed economy when we were in office, we formally recognized private property, yet we also supported the involvement of the state in production, food, and exports such as cotton, meat, and others that are associated with natural resources, especially mining and lumber.

[Carvallo] Do you really believe in what you have said with regard to the possibility of a social explosion in Nicaragua?

[Ortega] I have simply sounded the alarm about something that is becoming increasingly evident: the risk of a social explosion in our country, and obviously we have to find a way to prevent it. In other words, if I have sounded the alarm, it is for the purpose of getting the attention of the government and the economic and social sectors of Nicaragua so that we can do everything in our power to prevent this explosion from happening. The worst thing that could happen would be to be unaware of the danger and then to try to find answers when it is too late.

[Carvallo] In your opinion, what should be done to avoid situations such as those of Haiti, Venezuela, and other dangers of military coups?

[Ortega] I would say that we face very particular situations. Venezuela's has to do with the decline of the people's faith in Carlos Andres Perez's government. And that is linked to criticism not only of the government, but also to the economic policies that have been imposed from outside, better known as neoliberalism.

From my point of view, this phenomenon can only be resisted by achieving, first of all, a national regrouping and then a multinational integration. Only in that way can this offensive be dealt with. Unfortunately, in Latin America we have a lot of fine words about integration, but nothing practical to allow it to advance.

[Carvallo] What are the elements that can make integration possible?

[Ortega] The basic problem I see in Latin America is that if you talk to government officials, they all say they disagree with neoliberalism. Some say so in private, while others dare to say it publicly, but they all seem to be opposed to this policy. The same is true, but in reverse, with respect to Latin American integration, but the problem is that no one seems to act accordingly.

It is a question of doing a little more. I think that if governments dared to propose a national action to resist this policy, relying on the support of the people, the workers, and business leaders, we would be able to face the international financial organizations on a solid footing and we would have real possibilities for participating in the world market. That practice would thus be banished from marginal economies.

[Carvallo] The ex-presidents of the Central American countries have scheduled a meeting soon to discuss the matter of disarmament. Will that be a good opportunity to talk about integration?

[Ortega] I think that all contacts that allow a dialogue among government leaders are positive, but they are not enough.

We should move forward and deal with the underlying issue, which is economic and which has to do with the viability of processes. For example, the efforts to achieve peace in El Salvador may be thwarted if they are not accompanied by an economic-social proposal. And a proposal cannot come on its own; it must be integrated at the level of the entire area of Central American countries.

Because here, we all either sink or swim together. I do not see any other way. And this goes for not just Central America, but all the nations of the South. That is a fact.

[Carvallo] There are those who compare Nicaragua to Chile. They say that both countries went through similar situations, but with a different ideology, and that today, just like the Chilean military, the Sandinists are in power but not in the government.

[Ortega] The truth is that Sandinism, or more than that, the right won by everyone to insist, to demand, and to criticize, is the principle expression of the power of the Sandinists here. And we are talking here about Sandinists and non-Sandinists.

So I would say that the power of Sandinism and of the revolution lies not in weapons, but in the awareness that has been developed in the Nicaraguan people.

[Carvallo] So you see no similarities.

[Ortega] I do not see any similarity, because I do not see what influence we could have had on Pinochet. In Chile I do not see General Pinochet fighting for the poor, for the people who are starving to death, for the workers.

[Carvallo] How do you see socialism today?

[Ortega] As an alternative that must gradually and naturally emerge in the nations of the South, in accordance with the particular situation of each country, and after a process of integration.

[Carvallo] You have mentioned Sweden as a possible example.

[Ortega] Yes, I mentioned it when we were in the government. I felt that it was a very important point of reference as a model for the aspirations we nations of the South had.

[Carvallo] Perestroika was a process that revealed delicate situations not everyone knew about, such as the actions of the secret police in socialist countries. What is your opinion on these matters?

[Ortega] It is easy when you have 20-20 hindsight, and I think that the right has had a hand in this, which does not surprise me. What does strike me as unworthy and dishonest is the opportunism I have seen in those who until a short while ago were staunch defenders of those socialist ideals. Now they appear to be the harshest critics, and they are seizing the opportunity to make criticism they never made before.

I think the socialist model that was established in the Soviet Union and Eastern Europe had problems and weaknesses. Proof of that is the fact that it fell apart and collapsed. But I cannot fail to recognize that there were major advances there, that there was a conscience of solidarity. The Sandinist Revolution itself was able to withstand imperialist aggression thanks to the support those countries gave us.

[Carvallo] In your opinion, is Marxism still viable?

[Ortega] We understand Marxism as an element that constantly inspires reflection, creativity, working with imagination, and linking realities.

I think that Marxism is viable. Marx's ideas came from a certain period in history, but there are ethical elements within Marxism that correspond to needs man still has. In other words, as long as there is exploitation of man by man, we must fight against it, and as long as there are systems of oppression, we must fight against them.

* Support for 'National Project' Encouraged

92CA0150B Managua LA PRENSA in Spanish 14 Apr 92 p 10

[Article by Julio Icaza Gallard, member of the Board of Directors of the National Convergence Movement]

[Text] Various surveys conducted in the country show that more than 90 percent of Nicaraguans favor a National Project. Once again, the common sense of our people manifests itself in a demand and a challenge to the Nicaraguan political class. The people, first of all, are sick of destructive confrontation; they realize that, beyond the natural ideological, political, and interest differences, there is a broad space, which is beginning to be explored, for cooperation on the basis of agreement. Secondly, they realize the extent of the dangers and threats that loom above us all, without political distinction: the economic crisis and the serious social effects of the adjustment measures, which hit not only wage-earners and the unemployed, but also small- and medium-sized producers and merchants. The people demand unity in respect for differences, unity in diversity, with a lofty sense of patriotism with which the attitudes of some of our political leaders are incompatible.

Since February 1991, when a group of citizens who were disturbed about this situation publicized their first pronouncement, the National Convergence Movement has insisted on the urgent need for a National Project. How

can this project be viewed? How can it be made a project for everyone, one that will embrace and harmonize the interests of the various social sectors that make up this nation? In a country devastated by 10 years of war, a polarized country, is it possible to speak of a National Project? What is the best way to achieve it and put it into practice?

To respond to these questions, it is necessary to say, in the first place, that a National Project has the nature of a social pact, and is more than that. The social pact is the base on which the entire national entity rests. The solidity of that social pact—and therefore of the whole nation—depends on how much the social sectors have participated in its formulation and how fair it is. There are social pacts that are imposed from above or that are unfair, and sooner or later they lead to civil war and the political, economic, and social disintegration of the nation. The social pact should guarantee not only the coexistence of the various individual and social interests, but also their cooperation and solidarity: The social pact is an agreement not for mere coexistence, but for harmony. At the heart of a National Project lies a social pact that guarantees harmony in the present and is projected into the future. It presupposes, then, an agreement on common goals and objectives, and it is precisely the sense of harmony in the present that emerges from them.

The National Convergence Movement understands that the key instrument for arriving at this National Project is a national dialogue at all levels. It is necessary, however, to clarify what a national dialogue is not. A national dialogue, first of all, is not a pact among party leaders. Party leadership pacts, a long-standing tradition in our national history, have proven incapable of solving structural problems: Although they have given rise to periods of relative tranquility, they have also represented a truce in a latent state of war that undermined a true social pact. Nor is a national dialogue a mechanism for solving specific problems, such as the privatization of state property or the establishment of a minimum wage. A national dialogue can and should provide a response to those urgent, immediate, and specific problems by setting up clearly visible mechanisms for verifying and monitoring agreements, but its main and ultimate objective should be to put together a social pact that will be reflected in a National Project.

Nor is a national dialogue a mechanism for the smooth execution of a neoliberal-type economic project that does not meet the real expectations of the nation's majorities. Indeed, the backbone of any National Project should be the formulation of an Economic and Social Development Plan that will make room for all economic and social sectors in the country and fairly distribute not only the sacrifices that each and every Nicaraguan should make to get out of the crisis in which we find ourselves, but also the benefits that are obtained. Nor is a national dialogue a mechanism for consolidating or building balanced powers: Our protection against chaos is the steadfast determination of the majority of Nicaraguans to solve their problems through peaceful means, the responsibility and maturity with which we approach dialogue and negotiation, and our lofty sense of justice, not a person or persons who may assume the role of champion of stability.

A national dialogue, finally, presupposes democratic rules of play, a level playing field, and a willingness to negotiate, that is, to compromise for the sake of interests that transcend individuals or groups.

Is it possible, given Nicaragua's present circumstances, to speak of a National Project? The fact that the vast majority of Nicaraguans support this idea is sufficient evidence that it is possible. Besides, the most recent polls indicate that most of the polarization exists among political leaders and that at the grassroots, in contrast, political and ideological differences have been set aside to give way to a growing spirit of cooperation in undertakings for the common good. Utopia? Skeptics should be reminded of the fact that dreams are an essential part of reality, and that, unlike other utopias that have degenerated into nightmares, the National Project is a beautiful dream anchored in a historic necessity, the only dream capable of giving meaning to our individual and collective existence. The National Project represents, then, not just the embodiment of a possible utopia, but an urgent need: the historic imperative that we survive and develop as a free and sovereign nation.

We must emphasize, in closing, the efforts that the National Autonomous University of Nicaragua [UNAN], Managua campus, has been making toward this end since August 1990, through the forums called "The Possible Nicaragua." The latest forum, cosponsored by the Friedrich Ebert Foundation and focused on the National Project, showed, both in the number and in the quality of the participants' papers, that this is by no means an academic or rhetorical exercise; the conditions exist for advancing in the formulation of this project. It also demonstrated that it is imperative that we resume the national dialogue, based on the experience garnered so far and with the necessary corrections, as the only civilized way to deal with the dangers of anarchy and forceful solutions.

Managua, this 16th day of the month of March, 1992.

Panama

Government, MODESCO Sign Colon Agreement

PA2005195792 Panama City EL PANAMA AMERICA in Spanish 20 May 92 p 2A

[Text] After nine hours of negotiations and heated debate between the Executive Commission and MODESCO [Movement of the Colon Province Unemployed] leaders, a document was finally signed on 19 May in which the government agrees to comply with part of the urgent measures demanded for Colon Province.

The most critical point was the $50 million extraordinary credit that MODESCO demanded for the urgent

job plan. After several recesses, a special $15.9 million credit was agreed upon for the implementation of community projects and worker salaries. Subsequently, the funds required will be disbursed while community projects are being used to benefit the province. Both parties agreed to reconsider the temporary jobs that were created and to make the jobs permanent.

In addition, the following points were agreed upon: compensation to young Anibal Ponce who lost his sight during a demonstration; evictions without prior consultations will not take place; the agreements between the Free Zone and COFRISA [expansion unknown] will be revised—after which, the neighbors of Pueblo Nuevo and the shipyards and the shops that operated near the Free Zone site will be compensated.

It was also agreed to promote to the deputy ministry level the current regional office of the MIVI [Housing Ministry], so that it may draw up and implement projects that will provide true and permanent solutions to the housing problem in Colon; to use the $2 million MIVI fund to construct 300 housing units, starting in June; and to study the status of people on occupied lands.

In the education and health sectors it was agreed that the appointment of teachers to a special commission would be studied and Social Security pharmacies would operate 24 hours per day.

On the transportation issue, it was agreed that a commission would study the problem to reconfirm respect for the agreements signed on 28 July 1991.

Another agreement reached is that a high-level public works commission will study the possibility of paving the Costa Abajo Road from Bateria 35 to the mouth of Rio Indio. Meanwhile, Laurencio Guardia, the deputy public works minister, said that to carry out this project, only $2.13 million has been earmarked and that an additional $4.35 million is required.

The small Colon businessmen who were affected during the invasion will be compensated a total of $150,000. The aqueduct will be constructed by mid-August, after public bidding in July. Therefore, the plans for the aqueduct should be delivered by 25 May.

Court Rules Arrest of Arnulfist Leader Illegal

PA2105045292 Panama City Circuito RPC Television in Spanish 2300 GMT 20 May 92

[Text] The Supreme Court of Justice has declared the arrest of Arnulfist leader Eric Ruben Navarro illegal and ordered his immediate release.

[Begin Supreme Court Magistrate Hoyos recording] The Court has determined that the preventive detention of Mr. Eric Navarro is illegal. The illegal possession of combat weapons has a minimum penalty of three months and a maximum penalty of six months. A crime must have a minimum penalty of two years for preventive detention to be required. That is one reason. The second reason is that the other offense he had been charged with—conspiring against public security—implies that the person intends to endanger public security, and has the explosive material in his possession. That is not the case here; there is absolutely no evidence on record that would indicate that Eric Ruben Navarro had any such intention. [end recording]

Magistrate Hoyos has denied any political pressure from government officials in reaching his decision.

[Begin Hoyos recording] We came to this decision alone, without political interference, and above all in strict adherence to the law. The criteria applied in the Navarro case will continue to be applied in other situations and cases with similar circumstances. [end recording]

EL SIGLO Journalist Released From Jail

PA2005153792 Panama City Circuito RPC Television in Spanish 2300 GMT 19 May 92

[Text] EL SIGLO journalist Blas Julio Rodriguez was released on 19 May after having served five days at the Modelo Prison. The journalist left jail at approximately 1100, accompanied by friends and lawyers. He was arrested on 14 May on the orders of Attorney General Rogelio Cruz, who felt Rodriguez had offended him by raising charges against him in EL SIGLO.

[Begin recording] [Rodriguez] I believe that the attorney general of the Republic as well as the Supreme Court have thrown themselves into the garbage can of history with this action. They have set a nefarious precedent within what they call democracy. With all due respect, I believe that Attorney General Rogelio Cruz—who says I have offended him—is the successor of Manuel Antonio Noriega.

[Reporter] We have many questions. For example, what kind of evidence do you have on the serious charges you were raising through your column in EL SIGLO?

[Rodriguez] There is no doubt about the evidence linking the attorney general to a bank that did business with individuals involved in narcotics trafficking and money laundering. Let him deny that he was the secretary of [former president] De la Espriella! As for the charges that the Office of the Attorney General is a hangout of the mafia, I can only think of two or three persons working in that office who are decent people. The rest of them are mafia. [end recording]

Meanwhile, one of his lawyers, Carlos Jones, reacted as follows: [Begin Jones recording] I feel that the freedom of expression of not only Panamanian journalists, but of all Panamanians, has been harmed and is seriously threatened. We must all work hard to change this situation. [end recording]

Later, Blas Julio Rodriguez, his lawyers, and his friends went to the vicinity of the Office of the Attorney General

where a group of Panamanians, members of the National Recovery Movement, were protesting against Attorney General Rogelio Cruz. The demonstrators shouted slogans demanding the resignation of Rogelio Cruz. Nonetheless, the attorney general—who was in his office at the time—did not attach any importance to the demonstration.

Government Ministry To Create Border Police

PA2105184292 Panama City LA PRENSA in Spanish 21 May 92 p 1-a

[Report by Jose Quintero De Leon]

[Text] Government and Justice Minister Juan Chevalier announced on 20 May the creation of a border police force by 1993. The force will be deployed along the Colombia border area—the most critical point in Darien Province.

That is how Chevalier replied to repeated questions about the criminal activities of undocumented Colombians, who ravage Panamanian natural resources.

The border police force will also combat guerrillas who move throughout the area and who offer armed protection to drug traffickers. This was actually admitted by the Panamanian police during a recent news conference.

According to the government minister, the policemen must have different training than the regular academy training, because, for example, border patrols are different from urban patrols. Illegal aliens often travel along the border.

According to Chevalier, the work must be constant, otherwise it loses effectiveness because the undocumented aliens constantly move around. The minister stressed: "I hope that by 1993, when our economic situation is better, we can substantially increase the Darien Province police force, but with a specific duty—border work."

Currently, Panama's eastern border registers the most crime, even though lately the western border is also experiencing incidents that involve strangers who take advantage of trade movements, which is a characteristic of the area, especially for merchandise contraband.

Argentina

Menem Calls For Death Sentence for Traffickers

PY2205033892 Buenos Aires TELAM in Spanish 1905 GMT 21 May 92

[Text] Buenos Aires, 21 May (TELAM)—President Carlos Menem stated today: "We have a great challenge here: To choose between drugs, which is the same as choosing death, or life. The time has come to make a decision." He added: "If those responsible for drug trafficking remain alive, it will be very difficult" to continue the struggle against this scourge.

At the opening session of the Fourth International Meeting of Mayors Against Drugs held at Colon Theater and attended by Queen Sofia of Spain and Mayor Carlos Grosso, Menem said: "What do we gain from sending those responsible for drug trafficking rings to prison, since they continue the despicable activity of trafficking with death from their own prison cells?"

President Menem spoke at the opening session of the antidrug meeting, during which he also gave the "Tree of Life" award to the Spanish queen, who is visiting Argentina.

Defending his position in favor of capital punishment for drug barons, Menem said: "I admit that what I have just said is very tough and I know it is going to create a controversy, and not just in Argentina."

He added: "It is the responsibility of government leaders to face these problems no matter how complex, and the drug issue is probably the most paradigmatic problem of our times. It is the ultramodern form of war, a war in which it is difficult to separate the victims from the murderers, a war in which it is difficult to point out and locate the enemy."

"In this war the enemy is not a different country that wants to seize our assets or trample our rights," the president said. "In this war the enemy is a different form of living being, who has no God and no principles."

Menem added: "We are facing a colossal enemy supported by the greatest economic power of all times: drug trafficking. We are facing a cunning enemy who uses the mistaken path of pleasure as a weapon and the most fragile front—youth and the children—as a battlefield."

The president said: "In this titanic fight against drugs and AIDS, our responsibility is to resolve it. It is imperative to resolve it because it is not enough to admit the problem and make a strong statement about the intent to solve it," Menem said.

"To do so, we must first assume our responsibility, which begins with the world that we, as representatives of the political power, are building for our children and for our children's children," Menem said.

He added: "It is our responsibility to awaken the world from its spiritual misery and to return to the youth a goal for which to fight and live and a worthier life of work and health, of love for the environment, of love for their bodies and souls, and of love for all things that money cannot buy. In sum, to give them happiness."

He recalled: "After World War II, economic measures were adopted to economically help those countries that had suffered destruction and death," and asked whether "it would not be possible also to adopt measures in this situation to help those countries that somehow are growing economically as a result of the production of raw material used in the preparation of drugs."

Menem added: "Special measures must be adopted to eliminate the masterminds" of drug production and said: "I made my electoral campaign to a great extent discussing the drug issue, and I requested very tough sentences for those who traffic in the deaths of others while enjoying their own lives."

"What do we gain from imprisoning those responsible for the great cartels that have earned a tremendous wealth from trafficking with death if they continue handling this despicable traffic of drugs and death from their prisons?" Menem asked.

"I think we have to meditate on these matters," he said. "If those responsible for so many deaths, for so many events that ruin the life not only of the drug addict, but of all his family, remain alive, it will be very difficult to progress in this matter—fighting the effects, not the real causes of the problem."

Menem admitted: "What I have just said is very tough and controversies emerge every time I speak in this manner, not only here, but everywhere in the world. I must add that there are those who even send subliminal messages that convey more threats."

"But we have a great challenge here: To choose between drugs, which is the same as death, or life. The time has come to adopt measures for a better world," Menem concluded.

At the end of his message, addressing Queen Sofia, Menem said: "I want to thank Your Majesty for your presence here at this meeting, which is the fourth one held in the world." He also extended his gratitude "to the mayors and ambassadors who have come to Argentina to help us in this task."

Expressing hope for progress against the scourge of drugs "as soon as possible," Menem said: "Our desire is to weed it out once and for all so that no child, no youth, no mother will ever again suffer the devastating effects of this scourge."

Menem Rejects Idea of Coordinating Minister

PY2205013292 Buenos Aires BUENOS AIRES HERALD in English 21 May 92 p 1

[Text] (DYN-NA)—President Carlos Menem announced yesterday that the post of presidential spokesman, currently held by Humberto Toledo, would be eliminated from the cabinet. Menem also made it very clear that he would not accept a constitutional reform if it entailed changing the current presidential system by incorporating a coordinating minister.

"From now on you will have a luxury speaker: the nation's President," Menem told reporters gathered for the first of the news briefings he will be offering every Wednesday morning at the Olivos presidential residence.

The decision to scuttle the post of presidential spokesman was regarded by observers as a mere formality—Toledo had ended his daily contacts with the press several months ago, reportedly after a confrontation with Communications Secretary Raul Burzaco.

During the two-hour press conference, where Burzaco reportedly fell asleep only to wake up towards the end to congratulate the President on his statements, Menem also flatly rejected the possibility of including a prime minister or coordinating minister in the government.

"If my opposition (to a coordinating minister) is an obstacle for the reform of the Constitution, then let there be no reform," said Menem.

The head of state added that if changing the presidential system was "the cost of reaching an agreement with the radicals, then I'm not going to pay it."

When asked who backed his views on the presidential system, considering that his brother Provisional Senate President Eduardo Menem and Justicialist Party authorities had backed the inclusion of a coordinating minister, Menem stated: "Those who defend the president's views are the president's followers, and we'll see that when the reform is discussed publicly even through an election or a plebiscite."

Menem also insisted that he would not eliminate the possibility of seeking reelection. "It's absurd to ask me for a resignation in the long run. In politics you can't do that," was his answer to a question on whether he would be willing to pledge not to run, as former President Raul Alfonsin had done, in order to pave the way for presidential re-election to be included in the reform.

Bolivia

President Says OAS Must Persuade Fujimori

PY2005203892 Madrid EFE in Spanish 1933 GMT 16 May 92

[Text] La Paz, 16 May (EFE)—Bolivian President Jaime Paz Zamora today said that the OAS "must try to persuade" Peruvian de facto President Alberto Fujimori to "expeditiously restore a democratic, efficient, and honest institutionality."

Paz Zamora, during a meeting with Spanish journalists in La Paz, said that during the 22d OAS General Assembly to be held tomorrow in the Bahamas, Peru "must realize that the rest of its brother nations of the continent do not agree with what Fujimori is doing."

Paz Zamora confirmed that the OAS Assembly in Bahamas will be presided over by Bolivian Foreign Minister Ronald Maclean.

The Bolivian president added: "We all want them (in Peru) to return to the institutional path; we want it to become obvious that they have seriously returned to a democratic, efficient, and honest institutionality."

He said, however, that the OAS must not "upset" relations with Peru because it would be "very serious" if a confrontation between the OAS and one of its member countries takes place.

Paz Zamora asserted that "he is one of the presidents with a greater chance of a more direct dialogue with Fujimori" and predicted that the Peruvian president will stick to his government program because "he is very coherent in thought and action."

Paz Zamora said: "I spoke to him on the phone and have told him that I respect what he has done but also have told him that the same objectives can be achieved through other means."

The Peruvian president staged a coup d'etat on 5 April, dissolved Congress, beheaded the judicial branch, and installed a National Emergency and Reconstruction Government with the support of the Armed Forces.

A few weeks later he ordered life imprisonment for terrorists and announced that he was thinking of implementing the death penalty.

President Paz Zamora said that, also during the next OAS General Assembly, Bolivia once again will raise its demand for an outlet to the sea but added that he does not expect "exciting" results.

He added: Bolivia's demand for an outlet to the Pacific "has become a ritual," a demand made by the country in a "systematic manner." Bolivia, which at the time was allied with Peru, lost its Pacific coastline in 1879 during a war in which it was defeated by Chile. (endall) 161933 jb/czach/dp sr212005.04 20/2050z May

Brazil

Economic Reactivation Oriented to Social Programs

PY2205030692 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 May 92

[Text] During a meeting with Rio Grande do Sul businessmen in Porto Alegre, Economy Minister Marcilio

Marques Moreira today announced a reactivation of the economy with an orientation toward social programs.

The minister said that small- and medium-size enterprises will now submit their income statements every six months. According to him, the new rules are being studied by a team from the Finance Ministry secretariat. He said that everything seems to indicate that it will be possible to introduce the changes through resolutions, and that he expects to announce the new measure early next week.

[Begin Marques Moreira recording, in progress] ...no longer growth at any rate or without concern for environmental and social requirements, but sustained and sustainable development, growth that can meet the people's basic needs; that is, education, health, sanitary services, urban transportation, infrastructure, and security. [end recording]

Among the measures that are producing the economic reactivation, the minister emphasized the recovery of confidence in the government and in the currency, the stability of the economic rules, the new agricultural policy, the increase in exports, the privatization program, the stabilization of financial relations with foreign countries, and the opening of the economy at a regional level through the Common Market of the South and at a world level through the GATT talks, the IMF, and the Paris Club.

President Collor Launches New Ecology Package

PY2105124292 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 20 May 92

[Text] Brazil now has another national park, three new areas of environment protection, and five new reserves. These measures are part of an ecological package launched today by President Fernando Collor.

The Brazilian northeast will have four new reserves where more than 1,000 families live off the babassu palms that grow in the region. They are the Quilombo do Freshal reserve in the municipality of Mirinzal in Maranhao State; the Mata Grande and Ciriaco reserves in Emperatriz, Maranhao State; and the Extremo Norte reserve of Augustionopolis in Tocantins State. The Pirajubae marine reserve is also being created in Florianopolis, Santa Catarina State.

These three new areas under environmental protection will preserve what is left of the Atlantic Forest. They include the Petropolis mountainous region, the Ibirapuita region in the municipality of Alegrete in Rio Grande do Sul, and the Anhatomirim region in the municipality of Governor Celso Ramos in Santa Catarina. The Serra Geral National Park is also being created between Rio Grande do Sul and Santa Catarina.

The package establishes that crimes like dumping thousands of liters of petroleum into the sea will be treated as an environmental crime and will be punished with extremely heavy fines, but the great news for the environment is the aid that forest controllers will receive.

Forest controllers often fail to see what is happening in the forests, but satellites see everything. In pictures like this, which IBAMA [Brazilian Institute for Environmental Affairs and Renewable Natural Resources] will receive every 15 days, the satellite shows that within this green area there is a pink area, a deforested area. If the IBAMA confirms that this deforestation is illegal, it will use a map like this to find the exact location of the devastated area. A field engineer will thus impose fines immediately, with no waste of time.

Chile

Foreign Minister Views OAS Assembly Talks

PY2205022092 Santiago Radio Cooperativa Network in Spanish 2300 GMT 20 May 92

[Passages within quotation marks are recorded]

[Text] Chilean Foreign Minister Enrique Silva Cimma has stated that Chile and Argentina have submitted a project to reform the OAS Charter so that any government that disrupts institutional order in its country will be suspended from the organization.

Silva Cimma voiced his full satisfaction with the results of the recent OAS assembly. He reported on the OAS agreement on Peru and the disruption of institutional order in that country.

"The disruption of the democratic system by President Fujimori was unanimously and categorically condemned."

Silva Cimma said a four- to five-month deadline was set for Fujimori to call a constituent assembly elected by the people that will be able to reform the Constitution, legislate, and control the executive branch.

"The steps taken at the OAS assembly were successful, and the unanimous decision impressed President Fujimori so as to make him return the situation to a state of law."

Silva Cimma said that OAS members fully condemned Fujimori's attitude and demanded the restoration of democracy in Peru. He also referred to Bolivia's reiterated demands to solve its landlocked situation.

"I am completely satisfied with the way the discussion on Bolivia's landlocked situation concluded. This is the third time that the OAS has accepted Chile's position on this."

As for institutional disruption, he said Chile and Argentina agreed to modify the OAS Charter so that any government that disrupts institutional order, as occurred in Peru, or in the event of a coup d'etat will be suspended. Before the assembly, OAS Secretary General Joao Baena Soares said in Washington that this proposal was already included in the OAS agenda.

* Antidrug Official on International Cooperation

* Funds 'Scarce'

92WD0641A Santiago LA NACION in Spanish 8 Apr 92 p 5

[Report by Amelia Miranda: "Tough Struggle Against Drugs"]

[Text] Santiago—"Chile is doing its utmost to control drug trafficking and consumption, but its resources are meager and limited. Therefore, we hope that the international cooperation that the industrialized countries have so often promised comes through."

The statement was made by Belisario Velasco, the undersecretary of the interior and executive secretary of the National Commission for the Control of Drugs and Narcotics, during the speech that he delivered to the assembly of the Narcotics Commission of the OAS, which is holding its 35th regular session in Vienna, Austria.

Velasco traveled to Europe last weekend to take active part in these deliberations as the Chilean Government's representative. Speaking before the members of the world forum, he outlined the initiatives that Chile has taken.

"Regrettably, and in spite of the prevention and control efforts that we have made, the illegal consumption of drugs is increasing in our country. We are especially worried by the growing use of cocaine paste among consumers.... We have seen a rise in seizures and arrests.... All of the above reflects how serious the problem has become, but also the greater effectiveness of police and control services, which during the past two years have been assigned more and better manpower and materials," he recounted.

"We have done all this solely with funds from the Chilean Government, which has prioritized this effort for the benefit of the entire international community to prevent drug trafficking, especially into the northern hemisphere, thus putting off other urgent social spending or investment that our people need.

"In spite of our ethical decision to continue this effort, our resources have a limit, which we are now reaching. Therefore, we are expecting the international cooperation that has so often been promised, in the form of projects that have already been presented, but so far not implemented," the undersecretary asserted.

Velasco then explained the judicial initiatives that have been taken, detailing the content of the bill that President Aylwin sent to Congress this past 3 April, a bill that embodies the international recommendations on drug trafficking and money laundering. He emphasized, however, that the Chilean Government realizes that drug addiction stems from social phenomena, such as poverty and disadvantaged conditions, "which have been overlooked for so long in our country." For this reason, punitive measures must be accompanied by social concern, which requires the funding that now goes to the former.

In conclusion, he said that Chile was prepared to continue doing its part in the struggle against this scourge but that, like all countries in the region, it requires the cooperation of the industrialized countries, which are encouraging this immoral business with their heavy consumption.

* Programs 'Insufficient'

92WD0641B Santiago LA NACION in Spanish 11 Apr 92 p 3

[Report by Vivian Schnitzer: "Chile Complains to Industrialized Countries"]

[Text] Vienna—Interior Undersecretary Belisario Velasco met here yesterday with the head of the UN Program for Narcotics Control, Giorgio Giacomelli, to report on the struggle against drug trafficking in Chile.

Velasco is taking part in the 35th Conference of the Narcotics Control Program, which opened on the fifth of this month at the Vienna headquarters of the United Nations and closes on the 15th.

The undersecretary told Giacomelli that the international programs to substitute for coca-leaf planting and cultivation and the manufacture of chemical precursors were "insufficient."

"It is absurd that our country is subsidizing industrialized countries," Velasco said, referring to the huge costs of tighter controls on drug trafficking, an argument that the Latin American bloc in the United Nations uses.

The Chilean representative emphasized that Chile's most serious drug-related problems involve transit through the country by way of the "northern corridor" [in Arica], as a result of which the country has had to intensify border controls.

The drug-producing countries and those through which drugs are shipped have emphasized in one voice the need for the industrialized "consuming countries to assume greater responsibility," as they are still not channeling enough funds into the economies that are sustained by coca growing.

The large-scale manufacture of chemical precursors, such as sulfuric acid, a by-product of copper, that are needed to produce cocaine will be subjected to "tighter controls."

Chemical plants will have to tell the authorities which countries the item is being shipped to and the manufacturing method that they use.

As for drug consumption, Velasco asserted that the most serious problem is in northern Chile, where "14 percent of young people have admitted using drugs."

Velasco told Giacomelli about the Chilean bill on drug control, trafficking, and consumption, which calls for prevention and educational programs, police controls, rehabilitation, penalties for public consumption, and measures against the "laundering of drug money."

The most controversial laws in Western European countries have to do with penalties for public consumption, which some regard as useless.

Measures against money laundering have also caused controversy and prompted opposition from European private banks, which are being forced to abolish bank secrecy.

The director of the Narcotics Control Program stated that the drug problem has assumed "almost uncontrollable dimensions" at present.

Giacomelli said that the focus should be not so much on drugs as on the reasons why they are consumed, which "have to do more with psychology and sociology."

Whereas in the past drugs were used to perform ritualistic, medical, and recreational functions, which are "fairly controllable," they are now being consumed "to escape from the social context," the director said in conclusion.

Colombia

Gaviria Remarks on Current Domestic Crisis

PA2105181792 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 16 May 92 pp 14B, 15B

[Text] President Cesar Gaviria has urged all Colombians to support the National Police in its struggle against criminals and violence, while stressing that it will be the nation's top priority for the next two years.

Gaviria said that the authorities are not alone in this struggle because they have the citizens' solidarity, led by the president himself.

A few hours before, in a statement to RCN [Radio Cadena Nacional], Gaviria had said that over and above tax reform and the energy crisis—which are circumstantial—"the main issue in Colombian life over the next two years will be, without doubt, public order and how we are going to end violence."

The president disclosed that during the first months of 1992, 762 drug traffickers were arrested and that there has been a 500 percent increase in the destruction of drug plantations compared with 1991.

With regard to the kidnappings, he acknowledged that the results are still partial, but he highlighted the work carried out by the Intelligence Agency Against Kidnapping and Extortion.

"The only way we can comprehensively face the problems of rebels, criminals, and violence—which have been overwhelming us for so many years—is through intelligence and greater investment in security," the president said.

President Gaviria acknowledged on 15 May the magnitude of the crisis that Colombia is facing—inflamed even more by energy rationing—and asked the nation to embark on a crusade of solidarity and patience to face the current problems.

In an RCN report, the president referred to the nation's thorniest issues and predicted that the top issue over the next two years will be the fight against violence that will demonstrate to the guerrillas a strong government and a strong society.

Gaviria announced a cabinet crisis after 27 June, after the current congressional sessions will go into recess. [sentence as published]

The president assessed the Colombian reality—what he called "objectively"—and admitted that it is going through a period of difficulty and adversity, but, he noted, with solidarity and work it should be overcome.

Gaviria also said that in general terms the economy is on the right road despite negative effects, such as the energy rationing and the dramatic fall in coffee prices on the international market.

When questioned on the possibility of a palace coup, Peruvian-style, or of a pots and pans demonstration, Venezuelan-style, he replied: "I trust it will not happen. I trust that the Colombians will understand that when faced with the nation's difficulties and adversity, the best response is discipline and solidarity. The situation in Venezuela is a matter of concern for me. There, the democratic principles themselves are being put in danger and I am worried that eventually, the nation will slide off its course. I hope that this does not happen here and that the Colombian people maintain their patience and solidarity." Gaviria censured, once again, the violence of the guerrillas and he appeared skeptical with regard to mediation efforts that Senate President Carlos Espinosa Faccio-Lince may undertake in Tlaxcala.

[Text] Meanwhile, President Gaviria pointed out that electrical energy rationing and tax reform will cease to be news within a matter of weeks.

Ministerial Crisis

The head of the government explained that for the time being, the AD/M-19 [19 April Movement Democratic Alliance] continuing in the government is uncertain. President Gaviria insinuated that it all depends on the leaders of M-19 political movement.

President Gaviria stated: "I believe that the cabinet crisis is a foregone conclusion. Due to recent political developments and new national circumstances, because some ministers appear to have worn out their welcome according to public opinion, or, as was said at one time by former President Lopez, the Colombian people

merely want to see new faces in official cars, upon concluding this legislature, it is quite possible that the Colombian president might be forced to make some adjustments within his cabinet. I consider it inappropriate to have such a crisis while the legislature is unfolding because it could result in considerable damage. Despite the fact that I fully understand the situation, I believe that to change ministers when the legislature is unfolding could result in much uncertainty. So far I have decided to wait until 27 June to make changes in the cabinet".

With regard to Senate President Carlos Espinosa's planned trip to Tlaxcala, Mexico, President Gaviria said that he does not plan to become involved in the "actions or decisions of other state branches. We are respectful of the decisions adopted by the Senate president, as well as the Senate." Nevertheless, he expressed skepticism about the results the decision could bring.

According to Gaviria: "During all the months of negotiating, the guerrillas have not yet demonstrated their desire to progress toward peace. They have not heeded the Colombian people's call to have the guerrillas agree to talk about issues that affect virtually all Colombians. We are referring to the kidnappings, the cease-fire, and creating a climate that will open the doors that will lead us to peace. The guerrillas have been more concerned about occupying center stage and participating in the peace talks, but they have not made the least gesture of peace toward the Colombian people."

With regard to Colombia's future and the problems his administration is currently facing, the Colombian president said that the solutions to these problems have not escaped his control. Nevertheless, he acknowledged that it "has become extremely complex" and "that there has been noticeable wear on the government," brought about as "part of the everyday problems specific to Colombian life. As problems and purposes have been resolved, new agendas and objectives have been established. The wear has also come about due to the problems as a result of the energy rationing".

Referring to the drastic rationing, Gaviria pointed out that it was an unexpected problem and, unfortunately, a prompt solution is not in sight.

"The Colombian people have displayed patience, tolerance, and a very constructive spirit. The government must acknowledge that this situation has caused anxiety and disagreement, and demands that the individuals responsible for the situation be identified. I fully understand the crisis, anxiety, and despair the citizens are experiencing.

"I would ask them for their solidarity, patience, and sacrifice because I am sure the Colombian people, who have faced so much adversity and difficulty in the past, have the spirit to succeed."

The president acknowledged that electricity rates have been abusive and said that the national government will be alert to prevent the perpetration of further abuses.

"Certain businesses have been the victims of mistakes and errors due to labor problems. I have also been told of charges that are based on averages and other practices I believe are totally unjustified under the current circumstances," the president said, adding that "the government is very annoyed that these situations have occurred in municipal institutions, and although these institutions are not under his jurisdiction, he will implement the National Tariff Board's mechanisms and adopt measures so that further abuses against a number of customers will not be repeated under circumstances of penury and rationing like those the Colombian people are experiencing." [quotation marks as published]

Gaviria demanded that the power companies act responsibly with regard to the collection of fees, saying that "the people's complaints are completely legitimate."

Asked if the presidential chair was feeling a bit tight, Gaviria said: "Yes, it is a little stone in my shoe. These are difficult times for the Colombian people. The rationing of power, particularly, has subjected them to a very difficult situation and has caused annoyance, disagreements, and a failure to understand some of our decisions during this time of penury."

"However," he added, "the president has duties that transcend and go beyond the moment of crisis. For the president, he explained, perhaps it would be easier to tell Congress to file away the tax reform and forget that we are experiencing difficult moments. [quotation marks as published]

He asked: "What would the consequences for the country be if the president should make these decisions?" He answered his own question: "For many years, the country has been applying an adequate economic policy. The country must preserve and protect this tradition. A large fiscal deficit would bring about great economic disturbances related to inflation and revaluation and would leave the government tied hand and foot and unable to resolve these problems and make the necessary disbursements. For this reason, even during this time of difficulties and shortages, the government must make a great effort and has asked the Congress to do the same."

On the possibility of a pots and pans demonstration, he said that he hopes it will not happen and that the people will "understand that discipline and solidarity is the best option amid the country's changes, difficulties, and hardships."

"I am concerned about what happened in Venezuela, where democratic principles are beginning to become endangered. I am concerned about the country eventually losing its bearings and decisions being made that

could at times be desirable or good on a short-term basis, but which involve great sacrifice on a medium-term or long-term basis."

"I hope this will not happen here and that the Colombian people will be patient and remain in solidarity with one another." Under these unusual circumstances, the Colombian people should stand beside the government "rather than take advantage of the circumstances to criticize, which would harm our democracy and life in Colombia."

Finally, he referred again to fiscal reform. According to many, it has been the coup de grace for the country's social security system because the reform makes it impossible to adjust contributions to the system. Gaviria said that he recognizes the problem and that difficulties in financing pensions at the Social Security Institute are now being experienced.

Nevertheless, he announced a solution through a proposal to be presented before the Congress. This proposal will drastically reform the Colombian social security system, particularly pensions.

Antonio Navarro Wolff Interviewed on Return

PA2105145092 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 20 May 92

[Interview with Antonio Navarro Wolff, of the 19 April Movement Democratic Alliance, AD/M-19, by reporters Felipe Gomez at Navarro Wolff's residence and Dario Arismendi from the Emisoras Caracol station, in Santa Fe de Bogota—live]

[Text] [Gomez] Mr. Navarro, you have come back to Colombia, and we saw that you did not have any problems upon your arrival at the airport. How did the news of the subpoena hit you?

[Navarro] I was in Monterrey, in northern Mexico, where I participated as a speaker in a seminar on the hemisphere's social and economic situation. Yesterday afternoon....[pauses] Rather, at noon, I was informed of what was happening in Colombia. I took the news very calmly. I took it calmly because I knew we had acted correctly and our position was just. I knew all of this had to be accepted without getting hotheaded.

[Gomez] Go ahead, Dario.

[Arismendi] Welcome to Colombia, Mr. Navarro. Who told you ....[pause] What did the person who called you say regarding the summons to trial and the arrest warrants issued by a faceless judge? [judge identified by number instead of name for security purposes]

[Navarro] The first person who told me what was going on was a reporter. In fact, at the forum in which I was participating, one of the topics was the media and society. The case being discussed was the Los Angeles case, where the media—much more than the authorities—was present during all the disturbances. The same thing happened during the 1985 earthquake in Mexico City.

A reporter said to me: Look here, you have a cable from Bogota, and he read it to me. Well, I then called Bogota, and I was told what was happening. They told me what had been published in the papers, that it had been a surprise to everyone, that they had already met with President Gaviria, and that the situation was being analyzed. They were looking at the reasons for this problem and the solutions to it. They suggested I should consider delaying my return a few days more. The seminar concluded in two days anyway. However, I immediately made all the arrangements to come back on the first plane that departed from Mexico City at 0100 today.

[Arismendi] Mr. Navarro: Is the AD/M-19 leadership involved in the faceless judge's decision considering whether to file a request for reconsideration to the same judge or to appeal to the National Court of Public Order? This incident has truly shaken the international and local public.

[Navarro] The [words indistinct] is being addressed here. We have volunteer lawyers. We have approximately 100 lawyers who have offered their services voluntarily to give counsel to the AD/M-19 members who are listed in the indictment. I do not yet know the best political decision. I understand, according to what I have been told over the telephone, that the top option is the appeal to higher courts. But, I repeat, I do not yet have detailed legal information. However, politically we are very reassured because we feel the nation is supporting us in our very calm attitude. We will not allow in any way for peace to deteriorate.

We will not allow the peace agreement that was signed, the only peace—the peace of two years ago and one year ago—to deteriorate because of decisions that I could label as unwise, with respect to the justice system. It is unwise for the nation, precisely during the times that Colombia is going through, and for the peace that all Colombians need.

[Gomez] Will you present yourself before the authorities, or are you going to wait until you are arrested?

[Navarro] Neither. I am analyzing the situation. I think it is not just a legal matter. I think it is a political issue. In that regard, it must be dealt with politically. I feel very reassured....

[Arismendi, interrupts] Why do you say it is also a political decision? What grounds do you have to make that statement?

[Navarro] I believe it because of the way the decision to review the case was presented. Likewise, in the text of certain paragraphs that were read to me one can see a politically inclined position. After all, we are dealing

with political events. Even to discard these political events and call them common criminal activity is a political-juridical action in itself. We are not talking about normal crimes here, of the kind we see under investigation these days. We are debating the definition of a political crime, and that is a political-juridical decision in the end. This is why I am sure there is significant political influence, even in the debate about what is and is not a political crime.

[Arismendi] Where were you on 6 and 7 November 1985, Mr. Navarro? What were you doing?

[Navarro] On 6 November 1985, I was in Havana recovering from an attack that cost me my leg. The amputation was performed in Mexico, by the way.

[Arismendi] Were you aware of the military operation carried out by the M-19 column that took the Justice Palace in a bloody assualt?

[Navarro] No, I was not aware of the operation. It took me as much by surprise as this news did. I have repeatedly stated that I support what happened, whether I was aware of it or not. However, I repeat that I had no information. You may remember that in May of 1985, six months before the assault, a grenade seriously wounded me in Cali and I left the country. As a matter of fact, at that time, I was recovering with Carlos Alonso Lucio, and we heard what was happening on Cuban television. But, again, this does not mean that I did not support these events or the M-19 people who were directly involved in the events. I totally supported them from the political point of view.

[Arismendi] Yesterday, several leaders of your movement met with the president. Upon leaving the meeting, some of them expressed their dissatisfaction and anger about the president's attitude. In the afternoon, the president addressed a note to the attorney general presenting his opinion on the scope of Law 77 of 1989, or the amnesty law. After learning the contents of the letter, are you fully satisfied with what the president has done to try and solve this impasse, from a legal and political standpoint?

[Navarro] I believe it is important to understand that when you come to any agreement, that agreement will have two parts. One part was the M-19's, and later the EPL's [Popular Liberation Army], the PRT's [Revolutionary Workers' Party] and the Quintin Lame Comando's. We kept our word as promised and signed. Our weapons are now five tons of iron ore, which are probably still in a steel works in Cali, and none of our people carried on the rebellion, so to speak.

The other part of the agreement was the state's. The government is part of the state, as is the justice ministry and the congress. I believe that what is under scrutiny here is whether the state can keep its word or not.

The president has the responsibility—and he is assuming it—to ensure that the state keeps its word. If one of the parts cannot keep its word, then no agreement can hold. It would be subject to the ups and downs of the differences within the state. Peace, then, would have no future. I believe that peace has a future, even though the state is inconsistent, even when there are judges who do not consider the agreement a good one. Peace has a future even when they are not willing to make the concessions that must be made during a peace process.

I think that peace is good, essentially because Colombia needs it as its first and most significant achievement, in order to move into the 21st century and build a new country. So the Colombian will for peace, as we and the government who we negotiated with interpreted it, is what gives that commitment a strong foundation. It must also be observed when considering how to get the state to comply with its part of the agreement.

[Gomez] Mr. Navarro. Exactly an hour ago, a lawyer, who identified himself as Hernando Romero and a relative of one of the victims at the Justice Palace, said the relatives agree with pardon, political generosity, the peace process, and pardon for political crimes. They have turned to the justice system so that these events do not go unpunished. They are making every effort to prevent Colombian justice from coexisting with impunity for the terrible crimes that may have been committed at the Justice Palace.

[Navarro] Allow me to repeat that what is being discussed is the definition of political crime, which is an old debate. This discussion began in the last century, when there were political uprisings in Colombia all the time. The laws that defined political crimes were very benign. I was just recently telling someone that when I was at the Picota Penitentiary in 1980, I was taken before a military court and sentenced to eight years in prison for promoting rebellion. When the state of siege was lifted and the security law was left without effect, the old laws were applied to my case.

Let me tell you that the old conservative laws, those that ruled during this country's violent years and that date back to the war era, called for a six-month sentence for leading a rebellion. So this tradition of punishing political crimes lightly is closely related to the history of internal wars in Colombia, which we want to leave behind.

I believe that the legal representatives of the relatives of those who were affected by the palace events are right in trying to prevent impunity. I think, however, that as Colombians they should first make sure that the peace efforts are carried out with honesty. If the Colombian justice system concluded that it was impossible to pardon the events at the Justice Palace, then the state should not have remained committed to its word. It did so, and now it must comply.

[Gomez] Mr. Navarro, do you see a solution to the problem created by the judge's decision?

[Navarro] On the one hand, we have the juridical solution. We must of course seek....

[Arismendi, interrupting] To appeal or reverse the court's decision?

[Navarro] Yes, based also on the amnesty law. The decision to use part of the text of that law was correct. There is also a political solution. This issue must be taken up....

[Arismendi, interrupting] At the congress?

[Navarro] Yes, and before the public. We are ready to hold a plebiscite in this country to find out if we are ready to forgive those responsible for the events at the palace; to see if those of us who were involved in this country's war are to carry on....

[Arismendi, interrupting] Are you going to promote this plebiscite theory or request it of the president?

[Navarro] If necessary, we can promote the idea of a plebiscite to see if we are willing to continue living with a sword of Damocles hanging over our heads, personified by a judge who could place the country in suspense with a series of actions that are incompatible with....

[Arismendi] Were you aware of the investigation being carried out by this faceless judge?

[Navarro] We had no idea. These judges work in secret, as far as common citizens like us are concerned.

[Gomez] Is what you are proposing a general poll, as authorized by Article 104 of the Constitution, or a plebiscite to put an end to the Justice Palace issue?

[Navarro] If necessary, yes. If it is a legal solution, then we will go ahead with the plebiscite, in the assurance that the Colombian people will vote to let history lie.

Demobilized EPL Rebels Issue Communique

PA2105192292 Santa Fe de Bogota EL TIEMPO in Spanish 16 May 92 p 6A

[Text] A dissident group of the Popular Liberation Army (EPL) headed by Francisco Caraballo has accused the Hope, Peace, and Liberty political movement [former EPL guerrillas] of having links with paramilitary groups. It also denied any participation in crimes against demobilized rebels.

This was stated in a lengthy communique issued recently by the dissident faction, which was signed by Caraballo.

The communique said that "the leaders of the new movement have established links and agreements with paramilitary chiefs in Uraba and Cordoba, adding that Bernardo Gutierrez and Rafael Kerguelen, who maintain close relations with Libardo Lopez Gomez and Fidel Castano, can confirm the existence of those links."

EL TIEMPO consulted Carlos Franco, a political movement spokesman, who admitted that meetings had been held with paramilitary groups during the process, which he said does not mean that there is an alliance with groups that promote private justice.

Franco stressed: "We are against those actions. We believe that the peace process cannot be successful if paramilitary groups exist. Those accusations are groundless."

The communique added that the dissident EPL faction has learned that former EPL commanders and combatants who are now members of the political group are acting in coordination with or under the protection "of paramilitary groups at the service of the government's Armed Forces or on their own."

In that regard, Franco noted that the organization's laying down its weapons automatically implied respecting institutional authority. "We have a right—and this is stipulated in the agreements—to be protected by the Armed Forces. What we have received from the state is based on the agreements," he said.

He added that it is not the policy of the movement he leads "to kill its adversaries."

The communique expressed concern about the serious accusations made against former EPL members and demanded a public explanation from the demobilized rebels of their relations with paramilitary chiefs.

The communique demanded a clarification with regard to public funds destined to solve the economic and material problems of former combatants. "We particularly demand a clarification of the handling of funds by the Progress Foundation [Fundacion Progresar] (in charge of the demobilization plans) and an investigation of charges of blackmail and pressure exerted by leaders of that foundation on the recipients of those funds."

With regard to the Progress Foundation, Carlos Franco said that the accounting books are open and that there is a board in charge of controlling the funds for the demobilization of former combatants.

"I do not think Caraballo has the authority to question our handling because he never gave us a report on the funds received by the fronts."

Army Inflicts Casualties on Antioquia Guerrillas

PA2105201692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 21 May 92

[Interview with General Gustavo Pardo Ariza, commander of the 4th Brigade, by Diego Alonso Sanchez; place not given—live or recorded]

[Text] [Sanchez] General, what are the official results of the confrontations that took place in eastern Antioquia in the past few hours?

[Pardo] On 20 May, troops from the 4th Brigade's Pedro Ospina Battalion entered the main camp of the 9th unit of the self-styled Revolutionary Armed Forces of

Colombia. In the ensuing confrontation, the bandits sustained 17 casualties, among them Enrique Rojas, alias Dario, the head of that seditious group. In addition, a large amount of war materiel, ammunition, explosives, and supplies was seized.

[Sanchez] General, in what specific part of the department did the fighting take place?

[Pardo] The fighting took place specifically between Cocorna and the town of Granada, at El Viadal junction.

[Sanchez] It was learned a short time ago that four policemen were killed and incinerated by members of the Simon Bolivar Guerrilla Coordinating Board in the Betania, southwestern Antioquia.

Paraguay

Brazilian Army Minister Arrives on Visit 20 May

PY2105131892 Asuncion ABC COLOR in Spanish 21 May 92 p 11

[Excerpt] Brazilian Army Minister Carlos Tinoco Ribeiro Gomes has arrived on an official visit. This morning he will meet with President Andres Rodriguez.

The minister arrived at noon on 20 May on board a special Brazilian Air Force flight and he will return to his country on 23 May after holding a series of meetings and participating in official ceremonies. [passage omitted]

Peru

San Roman Again Urges Dialogue With Government

PA2105191492 Lima Panamericana Television Network in Spanish 1200 GMT 21 May 92

[Text] Maximo San Roman reiterated on 21 May his call for dialogue with the National Emergency and Reconstruction Government to seek a solution to the country's situation. The call is supported by the diverse opposition political parties, which issued a public pronouncement demanding fulfillment of the OAS resolution to guarantee a return to constitutionality in Peru.

[Begin recording] [San Roman, in progress] ...the proposal made by Maximo San Roman, as constitutional president, when the constituent assembly is installed, the de facto president, the constitutional president, the vice presidents, and current congressmen must resign. In other words, all of those who were elected in 1990 must resign before that sovereign assembly.

[Unidentified reporter] What if they do not?

[San Roman] We definitely are beginning the dialogue. I hope Mr. Fujimori will initiate the dialogue. That is the purpose of dialogue. We hope he will be true to his word, which was given at the international level. [end recording]

The commitment is the mandate, which is already a demand by the OAS resolution, calling for dialogue to be reestablished.

[Begin San Roman recording] I believe we have to come to terms on the dialogue and concerted effort in an effort to save our country. Our country has been suffering too much over the past year and a half. There is general disorder, prices are spiraling, there is general lack of discipline, and one does not know to whom one must pay attention. Tax measures are going to be implemented. In other words, disorder and chaos are occurring. We must make every effort possible to avert that so that we can rebuild our country as we should, with truth and work. [end recording]

Legal Expert, Others React to OAS Resolution

PA2005125092 Lima Global de Television Network in Spanish 0100 GMT 20 May 92

[Text] Legal expert Alberto Ruiz-Elredge said on 19 May that the resolution by the OAS on Peru is not benign, because the threats of economic sanctions persist. In addition, Former Senator Javier Diaz Canseco deplored the attacks by the president against political parties, while Francisco Diaz Canseco, president of the Council for Peace, celebrated that no sanctions were imposed, but he asked for an immediate return to democracy.

[Begin recording] [Ruiz-Elredge] It is good that no economic sanctions were imposed. However, indirectly—this is not good for the Peruvian people—these sanctions remain, because it was said that democracy must be reestablished as soon as possible so that the aid can be provided later. In other words, the OAS resolution conditions aid to the reestablishment of democracy.

This was made clear by the U.S. delegate. Later, Japan also made this clear after stating that it is necessary to reestablish democracy so that aid can be given.

[Unidentified reporter] In other words, this resolution is not very generous.

[Ruiz-Elredge] No. I consider it severe within democratic and courteous language. I would say that all sectors, parties, and institutions, including the church, the Armed Forces, and the universities, must sit down at the bargaining table to prepare a 20- year development plan. This has to unite us. Everyone must yield. The economic power must yield, as well as the power of force, political power, intellectual power, the academicians, the labor unions, and businessmen. Everyone must yield to build a 20-year plan, which, through the democratic election of leaders every five years, will implement the continuation of the plans.

[Former Senator Javier Diaz Canseco] The resolution leads us to maintain an attitude of constant evaluation of this process. It instructs the Gros Espiell Commission to fulfill Point 6 of the previous resolution—to establish the

mechanism of dialogue and negotiation between the de facto regime and the political parties, which has not begun.

I do not view what has happened at the OAS favorably. I see a watchful and cautious attitude with regard to this issue. I believe that the development of the situation will have to be evaluated.

[Francisco Diaz Canseco, president of the Council for Peace] Undoubtedly, the resolution is favorable for Peru, because foremost urges the government to reestablish democratic order soon.

Meanwhile, no sanctions have been applied against our fatherland. This would have been very serious, given the social, economic, and political crisis we are currently experiencing. [end recording]

Report on Clandestine Landing Strip Operations

PA2005232792 Lima Panamericana Television Network in Spanish 0100 GMT 18 May 92

[Text] The most recent issue of PERU REPORT, published by Jonathan (?Callaghan), includes a remarkable report by Cecilia Valenzuela on the Huallaga Valley and coca-related problems. Here are some highlights from this publication of exceptional quality.

Local residents think the next confrontation will be between the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] over the control of Juanjui. It has been said that, if the Shining Path takes Juanjui, it could advance as far as Puntarenas and Campanilla, and if the Shining Path reaches Campanilla, it will get as far as Yurimaguas and the Loreto oil region. Campanilla is Huallaga's largest drug storage and distribution center. Planes with the biggest drug hauls in the coca-producing region take off from Campanilla and Huicungo. The Campanilla landing strip, approximately 1.4 km long and 20 m wide, is made up of grass and broken stone and has drainage ditches on both sides. The Huicungo landing strip is a little shorter, but the two are fitted with a night lighting system. FAP [Peruvian Air Force] planes can catch us only in broad daylight, a drug trafficking pilot said. But it is useless, because we fly at night—something FAP planes cannot do because they lack radar, he added. It is reported to us whether our planes have to fly after 1800, when the men start to install the lighting cables on the landing strip. A prison floodlight, so called because they are used in Colombian prisons, is installed every 50 meters.

In the Huallaga Valley, clandestine light planes land between 2000 and 0000 and take off at approximately 0300. Landing fees are established according to each plane's size. In Campanilla, a four-engine plane, capable of carrying one metric ton of drugs, pays a landing fee of $12,000. A light plane with a half metric ton capacity of cocaine paste pays $6,000. In Huicungo, the landing fee is $4,000. According to the residents, the fee is split in three parts. One for the local authority, either the municipality or the Popular Front, and the second one goes to the strip's owner. The third is handed over to any force that happens to be in the area, either a Shining Path delegate or the Army or Navy base commander. The Campanilla strip is located 12 km from an Army base.

The government has announced the Air Force's strong presence in the drug traffickers' airspace. FAP, which controls all legal airports in the Huallaga Valley, has announced that it would soon bomb clandestine landing strips. For this, however, millions would be necessary. Each hour in the air costs $3,000 per plane, and four flight hours are required to bomb a single strip. But a damaged landing strip can be rebuilt in a single day.

Anyway, cocaine's golden days seem to be nearly over. The Fusarium fungus is destroying the coca plantations. The drug's economy is such that the farmer who does not produce basic paste is out of the game. Poppy for producing heroin is beginning to infiltrate the area; all projects for the promotion and development of alternative crops have failed. According to planters, coca planting and processing have ceased to be profitable. The oldest coca planters think that the same that happened to rubber latex will happen to coca planting and processing. Meanwhile, however, the Shining Path imposes fantastically high prices on coca and cocaine, and threatens with death those who fail to abide by them.

Indians Rescue Hostages From Terrorists

PY2205034692 Lima LA REPUBLICA in Spanish 9 May 92 p 15

[Report by Jesus Abad Lujan, special correspondent in Satipo]

[Excerpt] For several days and nights, Ashaninka and Yanesha Indians armed with bows and arrows and accompanied by military and police patrols traversed the valleys of the central jungle region. They were trying to rescue hundreds of families "captured" by Shining Path and MRTA [Tupac Amaru Revolutionary Movement] members, who forced them to continue the murderous fight that has been killing the Indians of the region.

In their first raid to defend their kindred, the Indians rescued 130 people, including men, old people, women, and children, who were then settled in isolated camps in the wooded jungle of Peru's mountainous region.

Everyone was mobilized for the rescue. Ashaninka and Yanesha Indians, Peasant Defense Patrol members, Armed Forces personnel, and policemen accepted the challenge of rescuing the "abducted ones," ending their days and nights of captivity.

More than 80 percent of the districts and neighboring areas taken by the subversives were recovered. Authorities were appointed. The authorities head the recently formed community defense patrols, whose sole objective

is to protect themselves from the subversives and to avoid falling into their hands again.

The victory achieved by the Indians has raised a new situation. A war to the death has been declared against drug trafficking and terrorism; 4,000 Ashaninka and Yanesha Indians and settlers representing 15,000 Indian families have sworn to return to the Ene and Tambo (Satipo) Valleys to free more than 200 children and young people recruited by those who have risen up in arms. [passage omitted]

Uruguay

Economy Minister Discusses Fiscal Policies

PY2005214492 Montevideo BUSQUEDA in Spanish 14 May 92 pp 16, 60

[Interview with Economy and Finance Minister Ignacio de Posadas; place and date not given]

[Text] [BUSQUEDA] There has not yet been any official information on the goals and objectives of the economic agreement that has been established with the IMF, although some figures have been disseminated unofficially...

[De Posadas] We have been discreet about the matter. It would not be prudent or courteous to provide the figures, because the program is still being negotiated. As soon as it can be made known, I will inform Congress first.

[BUSQUEDA] The books were closed in 1991, with good fiscal variables that have been maintained during the first three months of 1992; why, then, is it that a high inflation rate, updated to 70 percent per annum, persists?

[De Posadas] There are several causes. One of them is that the economy still continues with a high degree of indexation, and many of the economic agents continue to set prices based on the past, not on the present, and they base them even less on the future. If the most recent price index is perused, it can be seen that in the majority of the cases the unruly increases are found in three sectors: the protected [activities]; those that cannot be negotiated; and labor-intensive sectors whose workers have collective agreements based on the old guidelines. The variables that are not based on those conditions are in alignment with future inflation rates.

[BUSQUEDA] Isn't there a slight lack of confidence in that indexation?

[De Posadas] Yes, there can be a certain expectation, the expectation that the deceleration is not going to be as acute as we want it to be. We suppose that in view of the measures that have been implemented in the past few months, the people will understand that we are very serious. He who does not believe—and he has the right not to believe—must be aware that in not believing a risk is being run. The risk being: If the deceleration of inflation is achieved, then those who have been caught with high-priced products will suffer the consequences. This has been made very clear: The government will not condone errors.

Another fact is that there is still a demand in play that has external factors. If, for example, we observe salary increases by sector, we can see that the export sector has granted increases that are in line with the devaluation and given with the expectation that we are still on the indicated path. Instead, those that supply the internal protected market or some regional market that has high prices have granted larger salary increases because their markets have an added value. There is also a minor factor—it is the existence of a deficit, being financed with the issuance of money, and that also must be taken into account.

[BUSQUEDA] The de-indexation process was proposed by the government in 1991 and ratified in the letter of intent to the IMF. But isn't there, up to a certain point, a gradualist policy that presupposes a certain amount of indexation? Salaries, rents, the Mortgage Bank's allotments, and the salaries of congressmen are increased periodically, etc. How are the two extremes conciliated?

[De Posadas] We are not responsible for the congressmen's salaries. There are indexation mechanisms that the government cannot control. Public sector salaries have not been specifically indexed.

Regarding the indexation that is in the hands of the government, we can say that the guidelines are clear: We are de-indexing, and we are going to continue with rates, salaries, etc.

[BUSQUEDA] The new prices of goods [bienes] that have fixed prices are in general being based on past inflation rates, which may result in the third consecutive year with a double-digit inflation rate when estimated in dollars. Isn't there the risk that the economic program will become destabilized because there will be the expectation of a modification in the exchange policy?

[De Posadas] What is usually called a devaluation? No, no there are no expectations of a devaluation. The government has already made it known that it will not validate the errors of the economic agents through devaluations.

[BUSQUEDA] This year's program foresees a small deficit—it has been set at 1.2 percent of the GDP [gross domestic product]. Does the deficit justify such a high inflationary forecast as the 50-percent projection foreseen for 1992? Can the deficit be overcome with new debts, the mobilization of the gold reserves, or the proceeds of privatizations?

[De Posadas] Not with the proceeds of privatizations, because the proceeds will come later. The other options are not as easy as they seem, and this government, which has done some things well and other things not so well,

has, at least, been consistent on one point: to tackle a good portion of the problems that have been plaguing the country.

The government has not been marked by procrastinating on the problems, which is something typical of this country. Perhaps that is not reflected so much in the public opinion polls, but I presume that the people perceive that the government is not governing on the basis of public opinion polls or procrastinating on the problems, but trying to solve them.

[BUSQUEDA] Nevertheless, does such a small deficit justify such a high inflation rate? Can't that be covered by using other means?

[De Posadas] Those are two different questions. I believe the seriousness or impact is greater on indexation or aggregate demand. Can deficits be financed with new debts? Theoretically yes, but, in fact, that was the past government's strategy.

[BUSQUEDA] And the mobilization of the gold?

[De Posadas] We will see how this year turns out. Easy solutions very rarely are solid and lasting. The deficit itself is not good, but instead of seeking Uruguayan-style subterfuges, let us try to tackle the basic problem.

I am not an economist, and I do not pretend to be one, but one thing is clear: The basic problem involves an issue that I consider to be the root of the problem: namely a strong cultural vein in Uruguay that resists living in the reality lying ahead, and continues sticking to an idealized past, believing that it can return to the past, and especially that the government can make the nation return to the past, which is absolutely impossible.

[BUSQUEDA] Despite the fact that an agreement with the IMF is not effective, the economic program has so far this year been met, except for one point: the devaluation rate, which has surpassed the one established in the program. The rate seems to be adjusting itself this week. Why has that happened?

[De Posadas] It is something fairly technical and, as there still were points that were not totally resolved, especially concerning the revenues policy, it may be presumed that the Central Bank believed it was more advisable to keep a slightly higher devaluation rate. Now we are finally putting all the pieces in place. The rate also was included in the general plan, and it will remain in the plan.

[BUSQUEDA] That seems to be linked to the reserves policy. Why have you chosen to increase the reserves instead of a stronger inflation rate reduction?

[De Posadas] Both things are not necessarily opposing each other. It will depend on the circumstances. The reserves policy is determined by the requirements, here and in the entire world. It is not whimsical policy.

[BUSQUEDA] In the opinion of many people, the BCU's [Central Bank of Uruguay] participation in the foreign exchange market is greatly responsible for the inflation rate [increase] because it is necessary to issue money. You have not mentioned that among the causes for inflation.

[De Posadas] That issue is currently being discussed. Curiously enough, those who support that opinion are not totally consistent, because they are not applying it to the deficit. The issuance of money is neutral, and has an impact in both cases.

The Central Bank's reserves policy depends on its requirements, and the foreign exchange policy is determined, to a large extent, by the dollar supply in the country and its repercussions on exports. It is a very difficult play between targets that can be opposed. The government's number one priority is the inflation rate issue, and everything will depend on that because we believe it is what damages the population most.

[BUSQUEDA] The BCU is a net purchaser of dollars. To be able to do that, it is issuing bonds in pesos with an interest rate in dollars of more than 20 percent. Why are the bonds not issued in dollars with an interest rate of 5-6 percent? Why, instead of choosing a policy that seems to be more expensive, does the BCU not issue a bond for which there is a demand?

[De Posadas] What is happening is that the market is seeking to make pesos through the sale of dollars. To sell bonds in dollars does not meet that demand.

[BUSQUEDA] Is the government not using this method to reduce dollarization?

[De Posadas] The market is increasingly showing that trend, which probably will become gradually more accentuated. A smaller dollarization would be more convenient because the country's monetary basis is small.

[BUSQUEDA] Will the salaries of all public employees be increased by 5 percent? Won't the salaries of the state-owned companies' employees have, as has occurred on other occasions, a higher increase?

[De Posadas] No, tit will be strictly controlled. In the past, their salaries had a higher increase because some fringe benefits were included.

On the one hand, we cannot say that public employees' salaries are high, because they are not. Compared to private sector salaries, public sector salaries are lower in all countries.

Although the number of public employees in Uruguay is not high, I doubt their number is at a reasonable level either. Therefore, unless their number decreases, salaries cannot become better.

On the other hand, in the same way the public enterprises pay fringe benefits, the central administration also

offers special benefits, but they go unnoticed. It offers lunches paid for with a 1,500-new pesos ticket, and some ministries have medical services, nurseries, and so forth. Salaries are not good but, actually, they are higher than they seem.

[BUSQUEDA] The salary policy implemented so far, which includes an additional 5 percent increase in March, seems to have chosen to deviate from the goals that would avoid conflictive situations. The government is now firm about the 5 percent increase, and the unions are protesting more and more and are beginning to mobilize their members. Do you believe the public employees' unions lack strength and rallying power to organize mobilizations that could really change the sector?

[De Posadas] I can tell you what I told the union leaders when I invited them to my office to report on the increase. While I was explaining the increase, they asked whether I was making a proposition or proposing negotiations. I told them they could be sure that things were as I was telling them. I said: We are not in a position to negotiate, because we have no resources to negotiate with. I am telling you that the increase was the result of lack of resources, and that we could do nothing else. That is the truth.

I said the same with regard to avoiding conflictive situations. Resources cannot be created even if I wanted them to, or if the unions decided to sponsor conflicts. Nothing can change the economic reality. If conflicts do occur, I will regret them—as I believe the union leaders also will—but it will not change the reality.

That does not mean that the government is feeling strong and trying to bend the labor unions to its will. The thing is that the government is weakened by the scarcity of resources and has nowhere to turn. Conflicts will not make money appear.

[BUSQUEDA] Public sector salaries increased in 1991 and in the five first months in 1992, have they not?

[De Posadas] At the end of 1991, private and public sector salaries increased and through April 1992, salaries increased by some 25 percent while the inflation rate stood at 19 percent. Regarding projections—which are not promises or predictions—we hope that by the end of 1992, public employees' salaries will have recovered some of their purchasing power or, at least, a certain equality.

[BUSQUEDA] You did not want to predict the increase to be granted to public employees in September, and if the amount of the increase is still unknown.

[De Posadas] I will not predict it. First I will wait to see how the situation lies.

[BUSQUEDA] There have been relevant institutional crises in Latin America, such as the Venezuelan and Peruvian crises, which some attributed to the serious economic readjustments implemented in the two countries. How would you analyze the crises from the Uruguayan point of view? Are we running any risks?

[De Posadas] I know journalists are jealous regarding their prerogatives, but allow me to give you advice: Be very careful in handling this issue. We already have experienced in Uruguay a serious phenomenon, that of the Tupamaros. It occurred in a country, the economic situation of which by no means justified it. Due to some sort of mimesis, we shared the phenomenon that was occurring in other parts of Latin America. If we now begin to create the belief that what has occurred in other countries can be somehow explained, it will take only one more step for us to begin justifying this type of occurrence. That sort of social reaction represents an extremely dangerous game. What has occurred in Peru has no relation whatsoever to the economic readjustment implemented there. On the contrary, it is the result of an economic erosion that began several years ago. If there is anything to learn from the Peruvian coup, it is that if we continue to joke about the inflation issue someday there may be bloodshed.

[BUSQUEDA] But the recessive effects of the readjustment?

[De Posadas] There is no recessive effect for the time being. I do not know what will happen in upcoming days. But anyone who takes into account the energy, fuel, milk, Coke consumption, the cars, bus fare prices, will realize that there is no recession.

[BUSQUEDA] What about the unemployment rate, which has surpassed 11 percent?

[De Posadas] It is being analyzed because it is the only rate that is not compatible with the other ones. There are two possible partial explanations, in principle. First, it seems that the situation is caused by people who get a job for the first time, because the employment rate has not declined. We also are considering the fact that the survey is conducted among the active regular workers because many people go to work outside Montevideo during the summer. They are really employed people who move to another place. It might happen that the same number of unemployed people may have more of an effect on the percentage. I do not know, but it is effectively a negative percentage that is not compatible with the other ones.

[BUSQUEDA] The figures released by the Statistic and Census, however, reveal that the unemployment rate went from 6.33 percent to 7.87 percent. Those who get a job for the first time—between 3.22 percent and 3.25 percent—and those workers collecting unemployment benefits—between 0.17 percent and 0.22 percent—remain practically stable.

[De Posadas] These figures are being analyzed because they are not compatible with the remaining percentages. The figures reveal a high unemployment rate in the construction field, but it is not compatible even with the

number of construction that one can see on the street. It may be convenient to wait for a month to assess the average.

[BUSQUEDA] The need to interpellate the labor minister and you has been agreed upon. What do you expect from the other groups of the ruling party in that respect, considering that Vice President Gonzalo Aguirre advocated a 10-percent salary increase and Senator Carlos Julio Pereyra expressed his disagreement with that increase? It seems that you do not have very firm support from your party.

[De Posadas] I also would have preferred more than a 10-percent salary increase. Nobody likes the salary readjustment rate, but it is not a matter of preference or willingness. No government likes to be unpopular.

[BUSQUEDA] Do you think that the MNR [National Rocha Movement] will support you?

[De Posadas] It is a matter that concerns the MNR. You have to ask it your question. I will go to Congress to repeat what I have stated since the first day. All sectors are aware of the country's situation. Political attitudes will not change the situation, nor will conflictive situations generate wealth to increase public salaries. No interpellation can do so.

[BUSQUEDA] During the meeting of the Herraraist faction [a Blanco Party faction] in Santa Lucia, in which you participated, it was reasserted that there is continuity prevailing in the National Party from Luis Alberto de Herera and Wilson Ferreira Aldunate to President Luis Alberto Lacalle. You were a Wilsonist faction supporter until the death of Ferreira Aldunate. How can you explain such continuity? What are the contacts between the "Our Commitment To You" group of the For the Fatherland movement [a Blanco Party faction], and your economic policy?

[De Posadas] I was a Wilsonist faction supporter until the eve of Wilson's death, not because I learned that he was going to die that day. It was the day I conveyed to (Alberto) Zumaran my decision to withdraw from For the Fatherland because I disagreed with its political line. I told him that I was going home.

I would dare say that "Our Commitment to You" did not fully reflect the For the Fatherland Movement. A considerable number of people supported For the Fatherland, and they did not agree with many of the proposals included in that document. I think "Our Commitment to You" is not comparable with For the Fatherland. The Wilsonist faction had a major dimension.

Second, it will be difficult for a person who does not support the Blanco Party to understand; on speaking of the National Party's historical line, one refers to aspects that are on a different line from that of the economic ones. It is something deeper and richer. There is a very deep identification with tradition in the National Party, which is a honest party both at an economic and intellectual level. It is a party that has engaged in politics without being underhanded and has confronted the problems. A Blanco Party supporter has his own viewpoint that is more vivid than rational. I think it is the line followed by Herrera, Wilson, and Lacalle.

[BUSQUEDA] It has been learned that the government has decided to make a final effort on the last day, and that if it does not succeed, it will consider that the economic policy has failed.

[De Posadas] The government will make the final effort the last day. Last week I read an article published in BUSQUEDA on the last page. I do not know who provided that information and I will not ask either. This is the first time I heard such information.

[BUSQUEDA] What will happen if the program fails?

[De Posadas] (Laughs) First, I will feel freed and then I may go home.

[BUSQUEDA] Will you resign if the program fails?

[De Posadas] I do not know. Let's wait. Why should we always look at the negative option? Why can't we think that the program might succeed? Why don't you ask if I will run for president of the Republic if the program succeeds?

[BUSQUEDA] Well, if the program succeeds, will you run for president of the Republic?

[De Posadas] (Laughs) Don't just look at the wrong things. The program will succeed.

Venezuela

Perez Dismisses Possible Attacks, Will Stay

PA2105181292 Mexico City NOTIMEX in Spanish 1625 GMT 21 May 92

[Text] Caracas, 21 May (NOTIMEX)—Venezuelan President Carlos Andres Perez dismissed on 21 May the possibility of attacks against him and criticized those urging him to resign, claiming he will remain firmly in his post until February 1994.

In his customary Thursday radio address, Perez asked: "Who can attack the Miraflores (government palace) and La Casona presidential residence if we have the support of the national Armed Forces?"

Last 4 February the chief of state, with the support of the Armed Forces, thwarted a coup attempt by midlevel officers that left a toll of 17 dead.

The Defense Ministry recognized this morning that security measures have been tightened at military and government installations in view of possible armed attacks by extremist groups.

Perez affirmed that "as president I am a prime target for those who are destructive by trade," responding to renewed requests that his term be reduced from five to four years and demands he resign from his post, which he must turn over in 1994.

Although he abstained from naming former President Rafael Caldera (1969-74) and author Arturo Uslar Pietri, main proponents urging his resignation, he said "those who thrive on hatred or who have ambitions they cannot confess are wasting their time."

Caldera and Uslar Pietri headed recent polls as possible successors of Perez as "some of the few Venezuelans with prestige, confidence, and respectability," according to an editorial in the right-leaning newspaper DIARIO DE CARACAS.

"They will not make me change my convictions or my irrevocable decision to do my duty and bring Venezuela out of the crisis we are living," the president stated.

The two principal political parties, the ruling Democratic Action (AD) and Copei (Social Christian Party), its Christian Democratic ally in the current crisis, continued to hold meetings to guarantee political stability in the December regional elections.

Copei, the second electoral force, added two ministers to Perez' cabinet last March, and according to press reports, will seek to include three other leaders in the cabinet.

Other objectives of the alliance or "national agreement" are to block a possible vote in the Congress that would shorten Perez' term, step up the struggle against inflation—30 percent in 1991—and guarantee a democratic transition in 1994.

Leading Political Parties Prepare 'Understanding'

PA2205042792 Mexico City NOTIMEX in Spanish 0025 GMT 22 May 92

[Text] Caracas, 21 May (NOTIMEX)—The leading political parties in Venezuela announced they are preparing a "great national understanding" on 21 May. The agreement will allow President Carlos Andres Perez to finish his term, will probe the Armed Forces' opinions, and will safeguard the democratic system.

Humberto Celli, the leader of the governing Democratic Action Party (AD), stated they are trying to reach an agreement "that will allow us to tell Venezuela and the world that our desire to defend the democratic regime, its stability, and efficiency, has produced this great national understanding."

He said that in addition to AD and the co-governing COPEI [Social Christian Party], the independent, union, social, and business sectors will also be included in the understanding. COPEI has had two ministers in President Perez' cabinet since March 1992.

Celli stressed that the Constitution gives the Armed Forces an apolitical and non-deliberative role but that "undoubtably this has to be discussed (as) we cannot deny they represent an educated group" in the Venezuelan society. Other points of the agreement, which the politicians had unsuccessfully been working on since the foiled military coup in February 1992, include escalating the struggle against corruption, improving public services, and reforming the economy.

Celli stated in a news conference that the forthcoming national agreement will be announced in the next few days. He said the understanding was not only to "support" the Perez administration, which ends in 1994, but would serve succeeding administrations.

Political analysts commented that the "national understanding" showed a political broadmindedness that contrasts with the AD's and COPEI's only apparent concern—to conveniently divide the ministerial posts in the cabinet.

Furthermore, the understanding appears to bury the possibility that Perez will resign or that his mandate will be shortened from five to four years. Former President Rafael Caldera (1969-74) and writer Arturo Uslar, among others, demanded his resignation after the foiled rebellion.

According to Celli, the national understanding was reached by top AD, COPEI, and government leaders at a meeting held on the night of 20 May. The understanding could have been propelled by businessmen's request for the president to restore investment conditions as soon as possible, and to an apparent and later denied Armed Forces annoyance with the political deadlock.

According to Celli, the understanding will last 10 or 15 years, will reestablish the so-called "set pact" of principles of the sixties. At that time, the main political forces promised to support the governing administration to avoid the risk of militarism that Venezuela had left behind in 1958.

Military Alert Declared at Colombian Border

PA2205134592 Caracas Radio Rumbos Network in Spanish 1300 GMT 22 May 92

[Report by Atilano Hidalgo, from the "Solar" Network]

[Excerpts] Good morning listeners in Latin America. A military alert has been declared in the states of Apure and Tachira in the event of possible Colombian guerrilla attacks on those border states.

We have another report that the Joint Chief of Staff has announced the regrouping of guerrilla commands in the eastern part of the country where Red Flag, Venceremos Group, and Third Path [Tercer Camino] are active. [passage omitted]

Violent student demonstrations in Los Teques, La Victoria, and Puerto La Cruz have been reported. Strikes by public employees will continue 22 May.

Fedecamaras Asks Perez To Implement Measures

PA2105125992 Caracas Venezolana de Television Network in Spanish 0000 GMT 21 May 92

[Text] The leadership of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] on 20 May suggested to President Carlos Andres Perez the need to implement the measures recommended by the Consultative Council, particularly those concerning legal aspects that will guarantee the country's economic policy.

Fedecamaras President Freddy Rojas Parra explained the details of the meeting with the chief of state. He noted that Fedecamaras has great expectations about the approval of several amendments that affect the financial system, suffrage, the political parties, and the judicial branch.

The Fedecamaras leaders also asked the president to implement measures to counteract uncertainty in the country.

[Begin Rojas Parra recording] The government must speak clearly to its workers in view of the concern and the social and political instability caused by the proliferation of work stoppages at all levels of public administration. Such stoppages discourage local investors and make foreign investors nervous. The government must establish how far it can go as far as labor concessions are concerned in an effort to restore a climate of trust to promote investments. Venezuelan businessmen want to continue their business in this country. We want to continue investing in Venezuela. [end recording]

The top business leader noted that Venezuela is still attractive to foreign investors, despite what it is going through. The positive things that are being done in the country must be highlighted to keep the country attractive to foreign investors.

Riots Continue; Officials Promise To Find Solutions

PA2205032092 Mexico City NOTIMEX in Spanish 2329 GMT 21 May 92

[Excerpt] Caracas, 21 May (NOTIMEX)—[passage omitted] Eastern University (UDO) students burned two cargo vehicles at the Puerto La Cruz tourist resort, 330 km east of Caracas, to protest the arrest of three students.

Meanwhile, an 8-year-old girl was run over by a police motorcycle during a demonstration by students and residents in Los Teques, 25 km southwest of Caracas. Stores were closed, transportation was paralyzed, and the city was taken over by militarized National Guard members as a result of the demonstration.

The riots in La Victoria ended with a dialogue among the demonstrators, transportation sector representatives, and the authorities. It was announced that subsidies would be granted to offset the increase in transportation costs, and the municipal Police chief was dismissed, Radio Rumbos reported.

In Los Teques, capital of Miranda State, Governor Arnaldo Arocha appeared before the demonstrators—who demanded improvements in public services and the regional police chief's dismissal—and promised to find solutions in a matter of hours. The demonstrations began three days ago when a retired soldier was shot to death by a policeman.

The Federation of Pharmacists carried out a peaceful "takeover" of the Health Ministry in Caracas to protest an official decision to sell medicine in supermarkets. Students participated in minor demonstrations near Miraflores Palace.

On 20 May students burned a vehicle on a street that runs beside the presidential palace.